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# Corporate Social Responsibility (CSR) as an Extrinsic Cue in Consumer Judgements of Products

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# Abstract

This research paper combines two streams of research, Corporate Social Responsibility (CSR) and its influence on consumers, and research on extrinsic cues as an input in consumer evaluations of products and especially food items. We have identified a gap in the literature that we tried to cover with this research. There has only been an attempt to study the effect of CSR information on consumer evaluations of product´s taste, specifically that of chocolate (Shang, 2015). However, this attempt has not resulted in a published article yet.

Thus, we decided to make a small contribution to the academic world and bridge the knowledge gap. The purpose of this paper was to find out whether CSR information acts as an extrinsic cue in consumer evaluations of food items. Moreover, we wanted to replicate findings of other researchers and see whether CSR information influences consumer company evaluations and whether this relationship is moderated by stated personal support of the CSR domain. Also, we wanted to find out whether CSR information affects consumer attitudes towards buying products of the company.

In order to achieve the goal we conducted a cheese tasting between-subjects experiment with a questionnaire and ran it at NHH's premises with 75 participants. Subjects were exposed to either positive/negative/no CSR information in the company description, tasted the cheese sample and completed the questionnaire.

We found that CSR information has an effect on company evaluation and attitude towards buying products from the company. Moreover, stated personal support of the CSR domain does not affect the relationship between CSR information and company evaluation. Also, CSR information in the company description does not affect consumer taste evaluations and the relationship is not moderated by taste ambiguity.

# CONTENTS

# FIGURES

# TABLES

# 1. Introduction

## 1.1 Background theory. CSR: Past, Present and Future

Philanthropy has been apparently an American preoccupation for centuries (Smith, 1994). Since the seventeenth century many business leaders were donating vast amounts of money for the betterment of society. Company giving was prohibited by laws and regulations. It was only in the 1950s when Supreme Court removed these barriers and companies started establishing their in-house foundations in 1960s. We can notice the same trend in Norway. Kavlifondet - charitable trust fund that owns Kavlikonsernet, was established in 1962 (Kavlifondet årsmelding, 2012).

Companies would then engage into charitable giving. The idea was to spread the available funds among as many organisations and causes as possible to get visibility. Moreover, companies would try to avoid causes that would fit or be associated with the core business products and services in order to not be perceived as self-serving. However, this changed in 1990s when CSR became more of a strategic initiative. Companies started picking up causes that would fit with corporate values, products and services; short-term commitments turned into or were replaced by long-term commitments, and evaluation of the outcomes was given more importance (Smith, 1994).

We can also notice the development of thought on CSR through time from no role for CSR to CSR as an obligation and, finally, to CSR as an integrated, strategic issue. Milton Friedman (1970) in his famous and highly cited essay writes that the sole purpose of economic enterprise is profit. He uses rather strong expressions when talking about business executives who support the notion of CSR of the corporation and openly calls them "schizophrenic businessmen". Moreover, he refers to participation in corporate social activities as "hypocritical window-dressing because it harms the foundation of a free society" (Friedman, 1970, p.5). Jones (1980) states that corporations have an obligation to society above and beyond the pure value maximization proposition. More recent literature (McGee, 1998) defines corporate social responsibility in a more "proactive social responsiveness view" integrating it into company´s strategic goal and defining CSR activities as strategic means of developing reputation and improving profits.

Corporate social responsibility has now become a part of businesses in various industries, and the food industry is not an exception. Consumers become more aware of

companies' involvement in socially responsible activities and CSR values of the companies, in general. There is a growing trend among companies to get involved in CSR activities and demonstrate their good corporate citizenship (Shaw, 2012).

Nowadays, 90% of Fortune 500 companies engage in some type of CSR activities and CSR expenditures are on the rise (Leo & Bhattacharya, 2006). According to Statista (2015), global sponsorship spending has been lately on the rise and is expected to grow from 55.3 billion U.S. dollars in 2014 to 57.5 billion U.S. dollars in 2015. CSR is not only "the right thing to do", but also "the smart thing to do" (Leo & Bhattacharya, 2006). There are different reasons for companies to engage in CSR, from idealistic to strategic. Businesses may be forced to implement some CSR practices by law or due to the pressure from the customers. Sometimes companies are trying to search for innovation and opportunity by engaging in CSR, improve their image or use CSR as an advantage for recruitment (Deloitte, 2012).

## 1.2  Effect of CSR on consumers

There is a growing number of studies showing that the possible effect of CSR on consumers' behavior may be overestimated. Some researchers suggest, that in many cases, consumers do not take CSR information into account when making a purchase (Öberseder, Schlegelmilch, and Gruber, 2011).

Therefore, it is important for businesses to fully realize the potential advantages of engaging in CSR practices. While formulating a CSR strategy, companies should be able to answer a number of questions, such as: are customers aware of CSR and how is this information important in the buying process (Lienbacher et al., 2013)? Until now, researchers have not come to a solution whether the result of CSR engagement always has a positive influence. Several effects of CSR practices that were investigated include effects on company evaluation, brand image and purchase intentions (Sen & Bhattacharya, 2001). Some researchers suggest positive correlation between company's CSR involvement and business results, while others indicate the opposite.

## 1.3  Research question

In the present study, we want to test possible effects of prior exposure to CSR related information included in a description of a fictitious company, on consumers' judgements of the product and the company. More specifically, we are interested in finding out the

relationship between CSR information and an attitude towards the company and buying a product from the company.

The idea started with looking at the small on-package logos of Kavli products, such as spreadable cheese, with the following text "Overskuddet fra Kavli går til gode formål. Se kavlifondet.no" ("Proceeds from the Kavli go to good purposes. See kavlifondet.no"). We were rather unsure whether consumers notice these logos, and if so would they actually recognize the logo and know what stands behind it. As Hoogland et al. (2006) indicate, products with logos and detailed information get higher ratings and enable consumers to choose more in agreement with their personal values as compared to just logos without any information. Thus, we were wondering if Kavli included a description of the company and their good deeds on the packages, could it result in higher company evaluation and increased sales? How would this information affect consumers who are more/less concerned about CSR?

Moreover, we are interested in the relationship between CSR information and consumers' taste evaluation of the product. Since there is no research on this topic available yet, we are very interested to find out whether CSR information can act as an extrinsic cue in consumer taste evaluations and result in food tasting better because of its association with good causes.

In order to investigate the above-mentioned relationships, we have formulated the following research question:

*How does CSR information affect consumers' attitudes towards the company, attitudes towards buying products from that company and taste evaluations; and do consumers' stated personal support of the CSR domain and taste ambiguity play moderating roles in these relationships?*

## 1.4 Logic of the idea

In order to investigate the relationship between CSR and consumer behavior, we have decided to take a look at CSR as an extrinsic cue that may influence taste perception, company evaluation and the purchasing process. In the literature review part, we give a brief overview of other extrinsic cues that have been extensively studied, such as country-of-origin, price, brand equity, advertising and their influence on consumers in order to

familiarize the readers with this particular knowledge area. Moreover, as we have specifically chosen CSR as an object of our experiment, we discuss CSR and unethical corporate behavior as extrinsic cues in more details (figure 1.4.1).
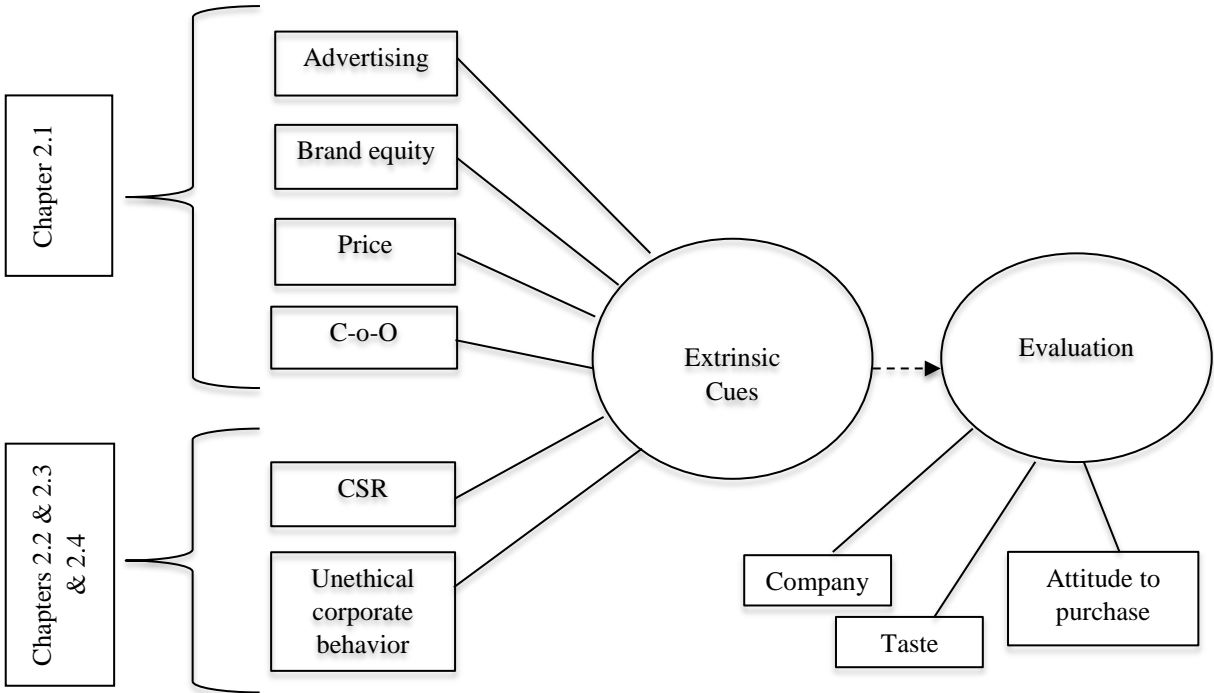


*Figure 1.4.1 Literature review structure: extrinsic cues*

We were specifically interested in the relationship between CSR information and taste perception. Therefore, we have also included some discussion regarding taste perception, ambiguity of taste and its impact on making judgments regarding the product (figure 1.4.2). Due to the personal sensory abilities and inherent ambiguity, taste perception may be formed differently from person to person. Ambiguity creates a reason for people to relate to other available information in order to make a product evaluation.
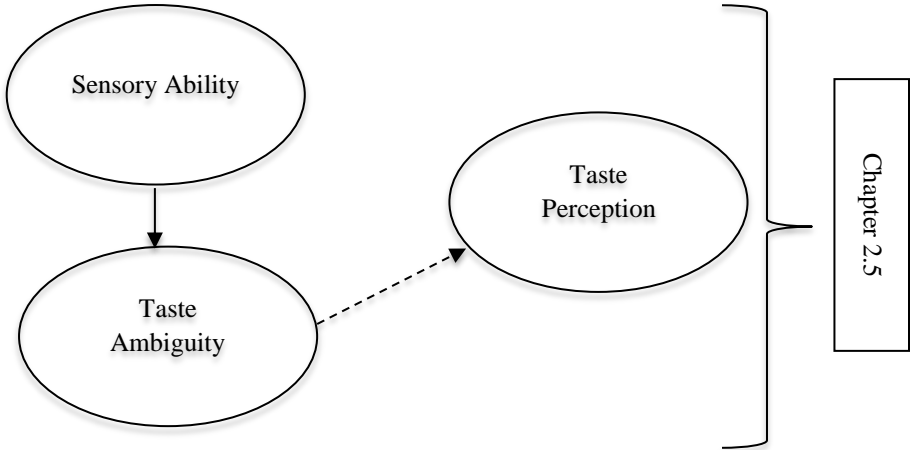


*Figure 1.4.2 Literature review structure: intrinsic cues*

Therefore, the interconnectedness of all the chapters of the literature review can be presented as follows (figure 1.4.3):
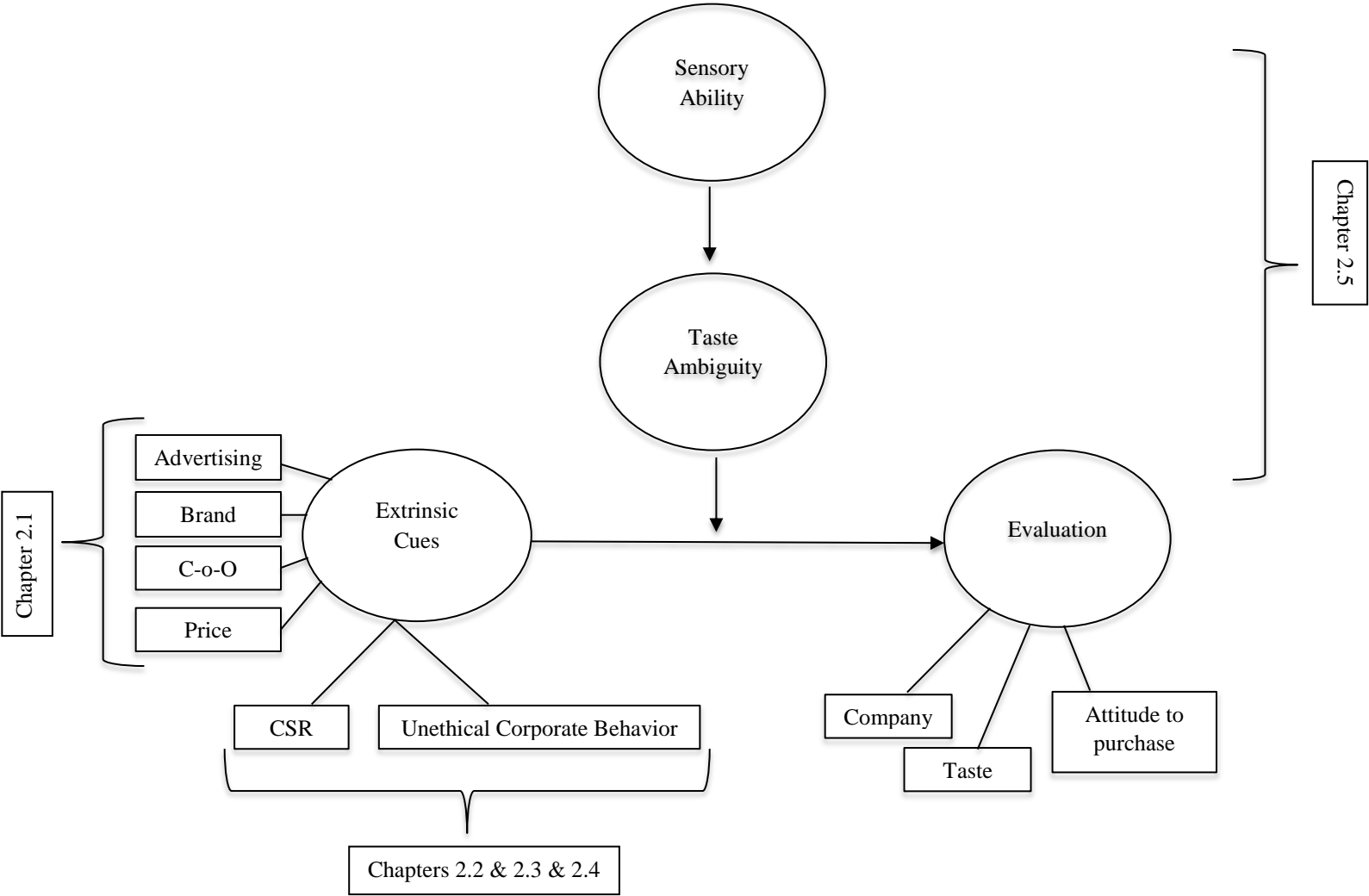


*Figure 1.4.3 Literature review structure*

# 2. Literature Review

Critical literature review is a vital part of nearly every research project and has a number of important purposes. According to Saunders et al. (2009), perhaps the most important purpose of the literature review is to explore and gain understanding of a certain research area by reviewing the most significant and relevant research on the selected topic. It is important to note that the literature review is not a summary of everything written on the research topic, but rather a review of the most relevant available literature on the topic.

The sources used for writing this literature review include secondary literature, such as books, refereed academic journals, as well as professional journals. In order to identify the keywords and search terms, we brainstormed and used a technique called "Relevance tree" proposed by Saunders et al. (2009) in order to structure our ideas (Appendix 1). After having identified the key words and search terms, some key, often cited papers were spotted and we proceeded with the snowballing technique, such as reading the articles referenced by the authors of the key papers, for finding further relevant literature.

As a result, our literature review is summarized under the umbrella of the food choice process model. There are different factors that may affect the food choice. Furst et al. suggests a Food Choice Process model where factors are divided between food-external and food-internal ones (Furst et al., 1996). Food-internal aspects are the properties of the food such as taste, nutrient content, texture. Whereas, food-external aspects are physical environment and individual preferences, attitudes, motives and information (Scheibehenne, Miesler & Todd, 2007).

In the format of the current study, attention is specifically paid to the internal factor – *taste,* and external factors, including *attitudes* and *information.* Two types of information as a food-external factor, including CSR and unethical corporate behavior, are discussed and will be further described in order to provide the readers of this paper with the necessary background knowledge to our research question.

## 2.1 Intrinsic vs Extrinsic cues. Information as an external factor in food choice process

When consumers evaluate and judge the quality of the product in order to make a choice, two types of cues play a role: intrinsic and extrinsic. Intrinsic cues (food-internal), or characteristics, are connected with the physical characteristics of the product and cannot be manipulated without altering the product itself, including ingredients, taste, freshness, texture, aroma and nutritional value (Luis Mendez et al., 2011). Extrinsic cues (food-external), including, but not limited to, price, brand name, advertising, country of origin, on the other hand, are related to the product, but are not physically part of it and can be easily manipulated (Acebron&Dopico, 2000).

The effect of extrinsic cues in consumer evaluations of products is a rather equivocal topic. On the one hand, there is a group of researchers that state that extrinsic cues are more dominant than the intrinsic characteristics (Veale and Quester, 2009; Richardson et al., 1994; Allison and Uhl, 1964). On the other hand, some researchers indicate that extrinsic cues are less important than intrinsic characteristics (Piron, 2000; Chung, 2006). We provide a short overview of some of the extrinsic cues that have received a lot of attention in existing literature in order to provide the reader with the necessary background to understand the foundation of this research project.

### 2.1.1 Country-of-origin

Results of several studies indicate that country-of-origin, as an extrinsic cue, has a significant influence on consumer product quality evaluations both in high- and low-involvement situations (Veale and Quester, 2009; Chao, 1993; Pecotich & Ward, 2007; Aqueveque, 2008; Camgoz & Ertem, 2008). In their brie cheese experiment, Veale and Quester (2009) found that consumers were more reliant on extrinsic cues, such as country-of-origin, even when they were presented with all intrinsic cues through a taste testing experience. At the same time, these research findings are somewhat contradictory to those of Ahmed et al. (2004) and Quester and Smart (1998). Even though Ahmed et al. (2004) states that country-of-origin does play a role in consumers´ evaluation of low-involvement products, such as bread and coffee, this influence is rather insignificant and that people tend to choose low-involvement products in Singapore out of habit (because of frequent purchase or popularity). Quester and Smart (1998) claim that country-of-origin plays a role only when consumers are highly involved as compared to low involvement situations.

### 2.1.2  Price

Price is another extrinsic cue when evaluating product quality that has received a great deal of attention in the literature. Rao and Monroe (1989) and Keller (2013) state that consumers judge the quality of the product on the basis of its price among other characteristics and assess perceived value by using perceived quality and price, and, thus, infer that higher price means higher quality. Davies and Brito (2004) indicate that high pricing is a powerful extrinsic cue used by consumers, when they are unable to discriminate products on the basis of its intrinsic characteristics, such as taste. In the blind taste test (Davies and Brito, 2004), a majority of the participants were willing to pay premium price for the cheapest cornflakes available on the market, even though they reported their preference for the most expensive cornflakes before the experiment, but, unfortunately, were not able to identify their preferred cornflakes in the blind taste test.

### 2.1.3  Brand equity

Customer-based brand equity (CBBE) is defined by Keller (2013, p. 69) as "the differential effect that brand knowledge has on consumer response to the marketing of that brand". In other words, what consumers learned about the brand represents the power of that brand. Allison and Uhl (1964) demonstrated that brand equity, as an extrinsic cue, can have a significant influence on consumer preferences. Through their beer tasting experiment, Allison and Uhl (1964) showed that intrinsic characteristics of a beer, such as taste, had no significant influence on taste evaluations in a blind taste test, whereas, when participants were presented with beer labels, taste evaluations tended to differ significantly. These findings were further confirmed in a set of similar experimental situations, including that of turkey meat taste test of Makens (1965), bottled water taste experiment of Nevid (1981), and Coke and Pepsi experiment of McClure et al. (2004).

### 2.1.4  Advertising

Advertising can also be an extrinsic cue that can alter consumers´ sensory and affective responses to the product. Olson and Dover (1979) in their coffee experiment showed that by exposing consumers to suggestive advertising before the product trial, it is possible to change their taste perceptions and evaluations and make them believe that a very bitter coffee does not actually taste that bitter. Braun (1999) confirmed these results in the orange juice experiment and showed the power of suggestive advertising to transform

consumers' memories after the product trial as well. Music in a commercial can also have a significant effect on product evaluations and preferences of consumers (Gorn, 1982).

To sum it up, we can clearly see that intrinsic characteristics, such as taste, do play a role in consumer evaluations and judgments of products, but when powerful extrinsic cues come into the picture, these evaluations and judgments might get easily altered and even distorted. One of the main reasons for why this happens is because majority of consumers lack taste discrimination and are unaware of their ineptitude (Lau, Post, and Kagan, 1995). Moreover, it is difficult to judge an objective quality of food items before trial or purchase (Hansen & Sallis, 2011), and, thus, consumers tend to rely on other available information to make a judgment about subjective quality of the product. Allen et al. (2008) state that taste evaluation of food items is a result of two processes, objective and subjective. The objective taste evaluation process happens through inherent properties of food items stimulating consumers´ taste receptors and resulting in favorable or unfavorable sensory experience. Whereas, the subjective taste evaluation process happens through an individual's reactions to established societal impressions of products.

Thus, consumers become rather susceptible to various sorts of information, or extrinsic cues, that affect their product evaluations. Researchers confirmed that external information could actually bias sensory and perceptual experience instead of acting as an independent input to judgments (Litt & Shiv, 2012).

Extrinsic cues can be comparable to branding literature´s secondary brand associations (Hansen and Sallis, 2011). Belief associations about the attributes and benefits of the brand can arise from leveraging secondary brand associations in order to create favorable, strong, and unique associations that otherwise may not be present. However, different extrinsic cues can affect different aspects of the product. Price and brand, thus, can affect perceived quality and value (Chen et al., 2005). Country-of-origin can affect perceived competence and perceived warmth (Chattalas et al., 2008). CSR is related to ethics and, thus, can have an effect on consumer trust (Du et al., 2007). When company participates in CSR activities, it could build consumer trust as it signals that the company is serious about bettering social welfare (the benevolence dimension of trust) and is competent in effecting positive social change (the credibility dimension of trust) (Du et al., 2007). A higher level of trust leads to consumer loyalty and willingness to support the company doing the good deed, as indicated by purchase and consumer advocacy behavior (Du et al., 2007)

## 2.2 CSR information as an external factor in food choice process

We treat CSR information as an external factor in food choice process model. In order to familiarize the reader with the notion of CSR, we provide an overview of the subject and include the definition, types of CSR, historical development, reasons for implementing CSR activities by companies, types of consumers in relation to CSR and an overview of an already existing research within CSR as an extrinsic cue in consumer behavior literature.

Some call it corporate social responsibility, some corporate ethics, whereas others use corporate citizenship to denote the same construct. We refer to it as "positive CSR" further in our work. There is a wide variety of CSR definitions, however, in this paper we selected the one of Mohr et al. (2001) because they link their definition to socially responsible consumer behavior, which is relevant to our research. They define CSR as "a company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society" and a socially responsible consumer (SRC) as "a person basing his or her acquisition, usage, and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society" (Mohr et al., 2001, p. 123).

### 2.2.1 Types of CSR

CSR initiatives are many and diverse, defined by Kotler&Lee (200, p. 3) as "major activities undertaken by a corporation to support social causes and to fulfill commitments to CSR". Kotler&Lee (2005) offer classification of CSR activities into 6 categories, including cause promotions, cause-related marketing, social marketing, corporate philanthropy, community volunteering and socially responsible business practices. Moreover, these CSR activities can be classified into 6 broad domains according to the Corporate Social Ratings Monitor, including: (1) environment (recycling, reduced packaging, animal testing), (2) employee support (safety at work, job security), (3) diversity (disability-based, gender/race/sexual orientation), (4) community support (generous giving, support of arts and health programs), (5) product (research and development, innovation), and (6) overseas operations (child labor, overseas labor practices) (Sen and Bhattacharya, 2001).

### 2.2.2 Reasons for implementing CSR activities by companies

Motivations behind implementing CSR activities by companies vary, including, but not limited to, altruism (philanthropy/charitable donations), enlightened self-interest, sales

promotion and advertising (sponsorship, cause related marketing) (Seitanidi & Ryan, 2007). Firms engage in CSR activities basically due to two broad reasons: public-serving (normative) and firm-serving (business) (Forehand and Grier, 2003), also referred to as altruistic versus egoistic (Bendapudi et al., 1996), or socially-driven versus profit-driven (Becker-Olsen et al., 2006). Smith (1994) calls companies engaging in CSR activities as "Janus-faced", where one face serves business, and the other one serves society, or a "two-way street". Companies become corporate citizens, looking for personal interests and at the same time aligning them with the larger good.

### 2.2.3  Types of consumers in relation to CSR

A company´s level of engagement in CSR activities plays a critical role in socially responsible consumption behavior (SRCB). Socially responsible consumers want to support society through their affirmative purchasing. However, not all consumers are socially responsible. According to Andreasen (1995), consumers can be grouped into four categories based on their attitudes towards CSR when making a purchase decision: pre-contemplators, contemplators, action-oriented and maintainers. Andreasen´s (1995) findings are consistent with those of Carrigan and Attalla (2001), who also propose that there are four types of consumers in relation to ethical awareness and ethical purchase intention: oblivious, confused and uncertain, cynical and disinterested, and caring and ethical (figure 2.2.1).

**Ethical awareness**

|  | | High | Low |
|---|---|---|---|
| **Ethical** **purchase intention** | High | Caring and Ethical | Confused and Uncertain |
| | Low | Cynical and Disinterested | Oblivious |

*Figure 2.2.1 Consumer attitudes to ethical purchasing*

Source: Carrigan & Attalla, 2001, p.572

Creyer (1997) evaluates consumers support of CSR based on their willingness to reward, willingness to punish, importance of ethical behavior and expectation about ethical behavior and divides them into two groups for each parameter. Sen and Bhattacharya (2001) divide consumers into two groups (high support and low support) based on consumers´ stated support of CSR activities derived from a ten-item CSR support scale.

### 2.2.4  CSR information as an extrinsic cue and its influence on buying behavior

Literature that is devoted to the topic of influence of CSR on consumer behavior is vast and keeps growing. A number of studies suggest that there is a positive relationship between a company's CSR actions and consumers' attitudes toward that company and its products (Sen & Bhattacharya, 2001). Hartmann (2011) provides an excellent overview of studies related to CSR and its potential to influence consumers´ perception and behaviour, such as brand loyalty (He & Lai, 2012), product consideration, company and product evaluation, purchase intention and willingness to pay.  Moreover, there is an existing research related to the effect of CSR on brand performance (Lai et al., 2010) and brand building (Alexander et al., 2014). Majority of results suggest that there is a positive relationship between CSR and consumer attitudes.

However, findings of some research suggest that there is a limited influence of CSR on purchase intentions (Öberseder, Schlegelmilch & Gruber, 2011). According to Mohr et al. (2001), in reality, interest of consumers in CSR activities and its influence on purchase intention has only a minor effect. Pomering and Dolnicar (2009) add that even though CSR may evoke positive attitudes and feelings towards the companies and products, it did not prove effective in the marketplace, thus, resulting in the so-called attitude-behavior gap. Carrigan and Attalla (2001) add that there is a discrepancy between what consumers say and how they actually act in ethical purchasing. Consumers might hypothetically support ethical purchasing practices, however, it might not necessarily result in buying behaviour in the marketplace. The Cone and Roper study (Simon, 1995) results showed that even though respondents had socially responsible attitudes, only 20% had turned those attitudes into purchasing behavior and bought something from a company associated with socially responsible business practices. Hansen and Sallis (2011) state that CSR does not affect consumer expectations of new product popularity.

## 2.3  Unethical corporate behavior as an external factor in food choice process

Unethical corporate behavior, also referred to as unethical corporate conduct (Lindenmeier et al., 2012), corporate deviance and organizational misbehavior (Punch, 1996), also referred to "negative CSR" in our work, represents wrongdoings or inappropriate behaviors of the company that have negative consequences on society and/or environment. It frequently results in a desire for consumer vengeance (DCV) - a desire to get "even" with a firm as a response to a certain wrongdoing (Bechwati & Morrin, 2003), which leads to a

public outrage, which might trigger detrimental consumer behavior and arouse pro-social action tendencies, such as consumer boycotting (Lindenmeier et al., 2012). A consumer boycott is defined as an "attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace" (Friedman, 1985, pp. 97-98). Thus, when boycotting, consumers use their "purchase votes" to punish unethically behaving firms and reward ethical firms through affirmative purchasing.

## 2.4 Predictors of consumer behavior and influence of ethical values

In various consumption situations, customers' food choices are still mostly under the influence of such factors as convenience, habit, value for money, personal health concerns, hedonism, and individual responses to social and institutional norms (Vermeir & Verbeke, 2006). However, there is a change in the consumption due to the sustainability concerns of customers. In the last years the number of ethical consumers has been growing and they usually express their social responsibility support through their purchasing behavior (De Pelsmacker et al., 2003).

When analyzing the effect of CSR on purchase intentions, scientists have come to a conclusion that the effect of CSR can either be direct or indirect (Öberseder, Schlegelmilch & Gruber, 2011). According to Sen and Bhattacharya (2001), a direct effect of the company's CSR activities may occur in the case of correspondence with consumer's personal beliefs and support of the activity. At the same time, CSR may affect the attractiveness of the company's products indirectly, meaning that consumers are aware of the CSR involvement of the company but do not necessarily support it (Öberseder, Schlegelmilch & Gruber, 2011). However, in practice ethical concerns of the consumers do not play a crucial role in their food choices. Part of it might be explained by the attitude-behavior gap. In the study of Mohr et al. (2001), findings suggest that only a small number of consumers use CSR as a regular criterion to make their purchases (Mohr et al., 2001).

In order to get a maximized predictive power of attitudes, attitudes and behavior should be measured at the same level of specificity (Ajzen and Fishbein, 2000). The principle of compatibility by Ajzen and Fishbein, suggests that regardless of level of specificity, measures of attitude and behavior should consist of the same action, target, context and time element (Ajzen, 1988).

## 2.5 Taste as an internal factor in food choice process

In The American Heritage Dictionary, the definition of taste is given as: 1.a. the sense that distinguishes the sweet, sour, salty, and bitter qualities of dissolved substances in contact with the taste buds on the tongue. b. This sense in combination with the senses of smell and touch, which together receive a sensation of a substance in the mouth (Morris, 1982).

However, this definition can already be expanded due to the additional taste qualities that were discovered such as umami and taste of fat. So, to this moment, it is believed that there are five taste qualities: bitter, salty, sour, sweet, and umami. Moreover, French scientists also add a taste of fat as the sixth quality (Tastescience.com, 2015).

Taste is believed to be the least understood of all human senses. Some fundamental questions have not yet been fully answered as a biological system is hard to study (Rouhi, 2001). Over the years, understanding of taste as a concept has grown from the purely physiological interpretation into a more complex one. Physiological taste is the immediate experience that happens when the body automatically provides a value-free record sensation prior to personal judgement (Fretheim & Haddox, 2012). At the same time, the complexity of tasting for food can hardly be isolated from other senses and, therefore, involves such sensory modes as: smell, thermal sensation, buccal stereognosis, perception of texture, sound, sight (Boutaud, 1999). All these elements contribute to the formation of taste perception.

Though, scientists argue that taste cannot be limited to a physiological understanding. There is a symbolic value associated with taste for food as eating becomes more than just a biological necessity (Boutaud, 1999). It is argued that symbolic aspects of taste have become a part of a taste perception process. Moreover, a physiological taste is socially conditioned and individual taste is linked to the social group the person is acculturated. The taste for food is usually formed within a culture, and therefore sensory responses to certain food may be determined by the already formed attitude toward the food within that group (Macbeth, 1997).

Thus, taste is a complex construct that has various aspects to be considered and studied. It contains more than just a physiological reaction of taste buds but also sociological aspects that also affect the taste perception.

### 2.5.1 Sensation of taste vs Perception of taste

Considering the complex nature of taste, it is important to distinguish between sensation of taste and perception of taste. Taste is one of the five human senses (vision, hearing, touch, smell, taste) and undergoes particular stages when processed. Both, sensation and perception are stages of this perceptual process (Krishna, 2012). Basic elements of the perceptual process are: observing/sensing the environmental stimuli, perceptual selection, perceptual organization, interpretation, and response. Interconnections among them are presented in the figure 2.1.1 (Hellriegel & Slocum, 2006).

| Environmental stimuli | Observation • *Taste*    *Smell* • *Hearing*    *Sight* • *Touch* |
|---|---|
| Perceptual Selection • *External factors* • *Internal factors* | Perceptual Organization • *Perceptual grouping* |
| Interpretation • *Perceptual errors* • *Attributions* | *Response* • *Covert* • *Overt* |
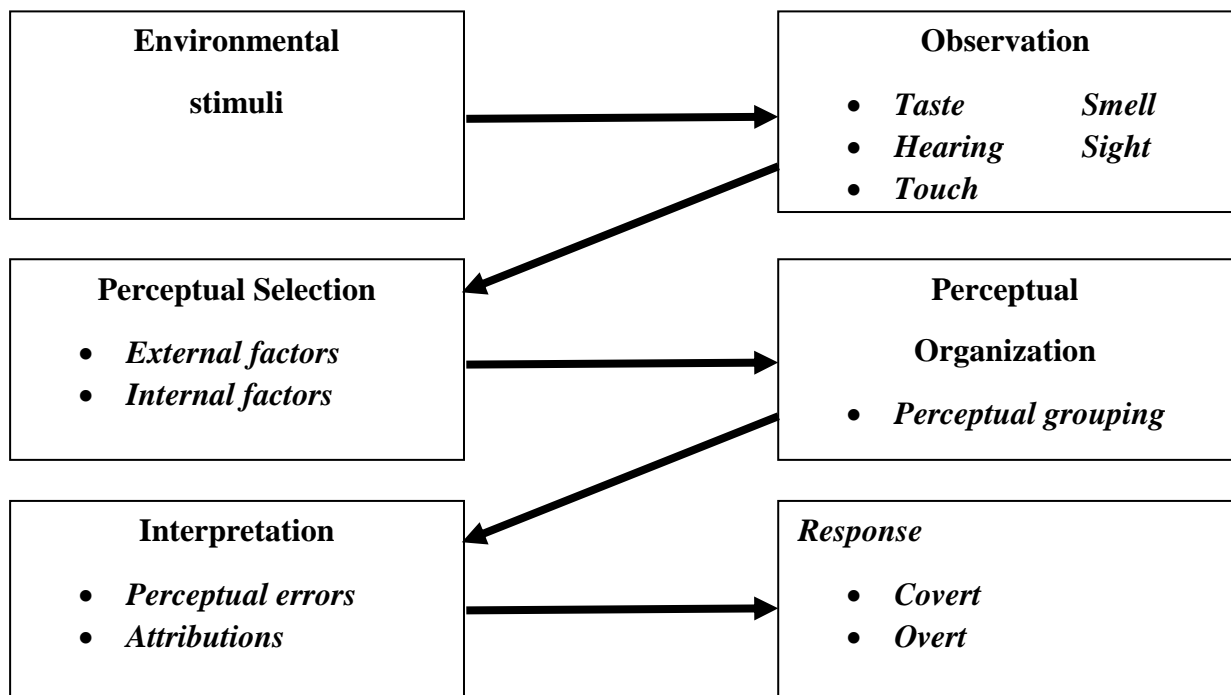
*Figure 2.5.1 Basic elements of perceptual process*

Source: Hellriegel & Slocum, 2006 p.68

Perception starts with an exposure to the stimuli. However, it is necessary that a person pay attention to the stimuli, so that the process of sensation begins (Hanna & Wozniak, 2001). Sensation is the way sense organs transform physical stimulation into the neural impulses that give rise to the initial experience of the stimulus (Ciccarelli & Meyer, 2006). In other words, it can be called observation. That is the biological perspective on what happens, when the stimuli is present. In case of tasting food, the food is the stimuli that affects taste buds of the tongue, and then information in a form of impulses is transmitted to the brain.

When the impulse is processed in the brain, processes of perceptual selection, organization and interpretation take place consequently. Perception as "a mental process that elaborates and assigns meaning to the incoming sensory patterns" plays an important role in understanding sensory information. During the process of perceptual selection, three major influencers play important roles: nature of the stimulus, consumer's motives and consumer's experience (Ciccarelli & Meyer, 2006). Depending on the combination of the factor some stimuli will be processed further, however, others may stay unnoticed. The stimulus itself has to be at least on the level of an absolute threshold so that it becomes noticed. Here such features as size, colour, position and novelty of a stimulus may affect whether the attention will or will not be paid. Selection process is a case due to a high amount of information in the world and only a limited capacity of the human body to pay attention to some of information flows. At this stage, differences in perception may appear from person to person due to differences in experiences, needs, beliefs or emotions. These personal factors can affect the process of selection, since attention of one person will be drawn to one characteristic of the stimuli, while attention of the other will be paid to another characteristic. The process of perceptual organization helps to categorize received information about a stimulus in accordance with past experience and assign it in a particular group that it relates to. Cues of the presented stimuli are weighed to find similar patterns in long-term memory to categorize the stimulus. That helps humans to process and assess information faster.

When the stimulus is categorized, the process of interpretation starts. At this stage, the meaning of the received information is formed through combining relevant knowledge structures with expectations and intentions (Hanna & Wozniak, 2001). Consequently, the interpretation will be personal and specific. In case of food preferences, it is known, that people differ greatly and even within one culture people's tastes may vary a lot and that may happen under the influence of such factors as: genetics, early experience with parents, peer influence or media (Shepherd, 1990). So, as the result the same stimulus will be interpreted by different people differently. Finally, at the stage of response, occurs either an observable (overt) or an unobservable (covert) reaction to the stimulus. An example of an observable reaction can be to buy a particular food item at the store, whereas covert reaction can be changes in elements consumer's mind, such as learning about new product and broadening specific category in long-term memory (Lantos, 2011, p. 465). In the case of the present study, stimulus – the cheese sample will be presented to a participant. Since there will be no

information regarding the product presented, customers will need to relate to their previous experience, personal taste ability and external information to make a judgment about the product.

### 2.5.2 Ambiguity of taste

Taste can be ambiguous due to several factors, both physiological and psychological. Taking physiological factor into account, the amount of taste buds on the tongue plays the most critical role in sensing the stimulus. Development and changing of taste happen with aging of a human. There is a significant difference in how the same food is tasted by an infant compared to a grown up. Babies are believed to have a hypersensitivity to food, while an elderly person may experience the food as plain (Ciccarelli & Meyer, 2006). This effect can be explained by the decreasing number of taste buds from around 30 000 on a tongue of newborn to around 10 000 on a tongue of a grown up (Fleming, 2013). However, not only age affects the ability to sense the taste.

The amount of taste buds on a tongue varies from one human to another regardless one's age. Taste cells in their nature are not static. They are dying and being born on a continuous basis. A constant changing number of taste cells leads to different intensities of taste sensation (Rouhi, 2001). Therefore, scientists tend to define several groups of people depending on their taste ability: supertasters, medium-tasters and non-tasters. Taste ambiguity varies across these groups. Supertasters experience the highest intensity of some particular tastes, which may affect their food preferences, as some food may seem too sweet or too fat for them. They have an increased number of taste buds in comparison to medium- and non-tasters. However, the estimated percentage of supertasters in the society is believed to be 25%, medium-tasters 50%, and non-tasters 25% (Ciccarelli & Meyer, 2006).

Perception of taste, however, is formed under the influence of sociological and psychological factors. As discussed earlier, taste develops over time and varies across groups. Cultural traditions determine to a large extent which food the person will be exposed to (Macbeth, 1997). Personal values, needs, motivation, mood also affect the perception of taste. So, psychological, physiological and sociological factors lead to complexity of taste and its ambiguity.

# 3. Framework and Hypotheses

## 3.1 Conceptual Framework

According to the proposed framework (figure 3.1.1), there is a relationship between CSR information in the company description (the independent variable) and the dependent variable of participant´s taste evaluation. This relationship is mediated by participant´s company evaluation. Testing the relationship between these variables via an experiment will indicate whether inclusion of CSR information in the company description will affect participant´s taste evaluation through company evaluation spillover effect.

Personal CSR support is expected to affect and moderate the relationship between a company´s CSR information in the company description and participant´s company evaluation. Testing this relationship via an experiment will indicate whether high/low CSR support participants indicate more favorable/unfavorable company evaluation.

Considering that the taste of a given food sample is ambiguous and can be perceived differently, personal taste ambiguity may play a moderating role in affecting taste evaluation.
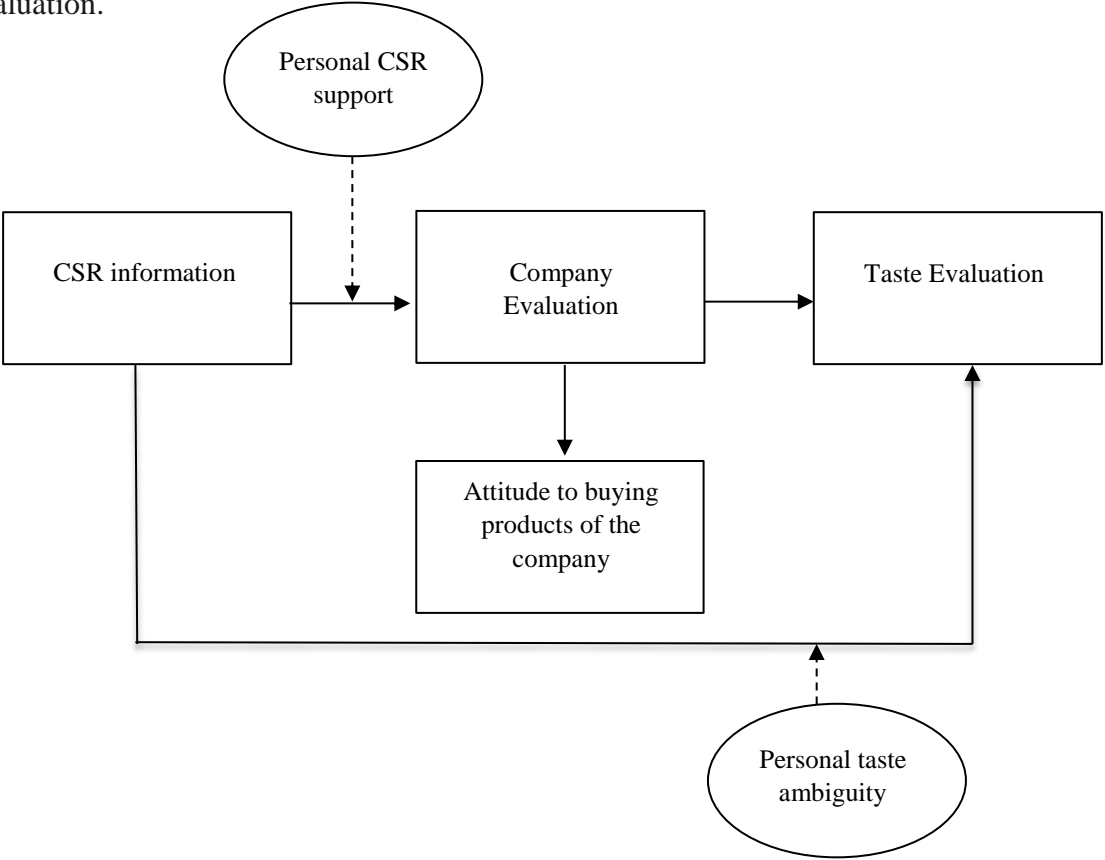
*Figure 3.1.1 Conceptual Framework*

## 3.2 Hypotheses

*Hypothesis 1: The exposure to CSR information in the company description will have an effect on consumer company evaluations.*

Researchers within the CSR domain claim that positive as well as negative CSR information has an indirect impact on product evaluations. According to Braun & Dacin (1997), the influence of "negative CSR associations ultimately can have a detrimental effect on overall product evaluations, whereas positive CSR associations can enhance the product evaluations" (Braun & Dacin, 1997, p.80). Some of them at the same time support the idea of negative information having a stronger influence than the positive information (Öberseder, Schlegelmilch, and Gruber, 2011).

According to Kotler and Lee (2005), the 2002 Cone corporate citizenship study results show that 84% of Americans indicated their preference for a company supporting a good cause than for a company not supporting any causes at all, when price and quality were kept at the same level. Bloom and Hoeffler (2006) add that consumers respond more favorably to brands affiliated with social causes, which leads to a higher probability of brand selection.

Based on the previous research within the CSR domain we, thus, assume and predict that exposing the subjects to CSR information in the company description will have an effect on subjects´ company evaluations. Information about positive CSR engagement will result in more favorable company evaluation as compared to no CSR information in the company description. Whereas, unethical corporate behavior, or "negative CSR" will result in less favorable company evaluations as compared to no CSR information in the company description.

*Hypothesis 2: The relationship between an exposure to CSR information in the company description and participant´s attitude towards the company will be moderated by the subjects stated support of CSR domain in general.*

Personal values and attitudes play an important role in human life in general and that can be observed in food consumption as well. Researchers argue that personal values may affect consumption of low-involvement products, such as convenience foods. For example, importance of ethical and moral values for the customer is positively correlated with buying organic food (Hauser et al, 2013). Some values have to be negotiated when not all of them can be actualised. At the same time, values form attitudes, whereas attitudes affect behavior.

Therefore, it is crucial to understand the attitude that can be formed under the influence of particular information.

It is assumed that through the presence of CSR information in the description of the company, attitude towards the company may be affected depending on the importance of ethical and moral values to self. In the study of Sen and Bhattacharya (2001), participants reacted negatively to negative CSR information independently of their personal CSR support. At the same time, positive CSR information was perceived positively only by participants who were CSR supportive in general (Sen & Bhattacharya, 2001).

Thus, this hypothesis tests the interaction of CSR-related information included in the description of the company and attitude that is formed towards it, depending on the importance of ethical values to one. It is predicted that those participants that indicate a higher CSR support in terms of willingness to reward, willingness to punish and importance of ethical corporate behavior (Creyer, 1997) will indicate more favorable company evaluations when exposed to positive CSR information in the company description, whereas all participants presented with negative CSR information, disregarding their stated support of the CSR domain, would indicate less favorable company evaluations.

Thus, negative CSR information affects all consumers as measured by their company evaluation scores, whereas positive CSR information has a positive impact only on those concerned about CSR. An alternative explanation for this phenomenon can be found in "the negativity bias". People tend to attribute heavier weight to negative rather than to positive information. There are several micro- and macro-level explanations as to why this happens (Kamouse, 1984). Some of the explanations are presented below.

Fiske (1980) states that this phenomenon is due to selective attention. When subjects were exposed to captioned slides, subjects tended to pay more attention and time to viewing the slides with negative information, which further resulted in subjects attributing disproportionate weight to negative information in their overall judgements (Fiske, 1980). Thus, negative information is more salient and tends to grab attention.

In the study of Leon (1981), negative information was treated by respondents categorically, meaning that the product that does not pass the negative information screening is rejected from consideration straight away (Leon, 1981).

Another explanation for "the negativity bias" could be the contrast effect. According to Kamouse (1984), people are overwhelmed with positive information and tend to show off personal happiness and satisfaction with life. Therefore, negative information tends to stand out in contrast with the positive one.

***Hypothesis 3: Prior exposure to information regarding company's CSR activity will have an indirect effect on participant´s product evaluation, specifically taste evaluation. This relationship will be mediated by participants´ company evaluation.***

Consumers rarely experience products in pristine condition, where no external cues are present. Research has shown that subjective taste evaluations can be modified and distorted by presence of extrinsic cues (Hoegg and Alba, 2007), including, but not limited to, brand information (Allison and Uhl 1964; Makens 1965; Nevid 1981), advertising (Braun, 1999), framing of attribute information (Levin and Gaeth 1988). Product and company information are some of the verbal extrinsic cues that are often used by customers for shaping their attitudes towards the product. In their experiment with wine, Litt and Shiv (2011) illustrated how product information can distort basic perceptual experience. They argue that "extrinsic information may induce specific motivations, shaping what consumers want to experience" and confirm it with the results of the experiment (Litt and Shiv,2011, p. 55).

Based on the above-mentioned stream of research, we predict that CSR information could modify and distort participant´s subjective taste evaluation through the spillover effect from company evaluation. It is important to note that the character of information given in a company description will vary. Therefore, taste perception may be influenced in both directions: increasing and decreasing the likability of the product.

Therefore, in the experiment, the inclusion of CSR information is made in order to achieve the distortion of taste experience. It is assumed that positive CSR information will generate positive thoughts and positive attitudes to the company and will lead to a more favorable taste evaluation. Whereas, negative CSR information will generate negative thoughts and negative attitudes to the company and will therefore lead to a less favorable taste evaluation.

**Hypothesis 4:** *The relationship between participant´s attitude towards the company and taste evaluation will be moderated by personal taste ambiguity.*

When it comes to taste, Lalonde concludes that taste is "less a matter of sensation and more a matter of perception" (Lalonde, 1992, p. 77). With this statement the complexity and ambiguity of taste are underlined. Taste ambiguity refers to the fact that people differ in their taste abilities and sensitivity to food depending on the density of fungiform papillae on their tongue. Thus, people can be divided into three groups depending on their taste sensitivity: supertasters (STs), medium-tasters (MTs) and non-tasters (NTs) (Prescott et al., 2001). Due to genetic differences, different taster groups may perceive the taste qualities of foods and beverages differently. Moreover, due to the variety of factors that may affect one's taste perception, it can be argued that everyone tastes the same food differently. Therefore, it is important to study the influences of different aspects on taste perception and see how external factors may affect this perception.

By exposing subjects to information about the company and further providing them with a cheese sample for rating, we expect participants to rate cheese differently based on their taste sensitivity. We assume that high sensitive to taste people will rely on their own taste perception instead of relying on any external information, or extrinsic cues. Whereas, low sensitive to taste people will tend to rely mainly on provided extrinsic cues instead of relying on own taste sensitivity due to their taste discrimination ineptitude.

**Hypothesis 5.** *There will be an effect of CSR information on an attitude to buy products from the company. The effect will be moderated by personal attitude towards the company.*

Braun and Dacin (1997) state that consumers´ knowledge about a company can affect their evaluations of the company´s products, and CSR associations can play an important part of the company evaluation process. Dawkins (2004) points out that consumer awareness of company´s affiliation with a good cause would positively influence purchasing decisions.

As we have previously hypothesized, we believe that there will be a link between the CSR condition participants are included in and their company evaluation. In this hypothesis we assume that consumers would have positive attitudes towards buying products from a socially responsible company, negative attitudes towards products of the company with negative CSR practices and neutral willingness to buy products from the company, in which

CSR involvement is not disclosed. In other words, we believe that there is a spillover effect of company's evaluation in the eyes of consumers on their attitude towards purchase from this company.

There is a gap between consumer's interest in CSR activities that they claim they have and their actual buying behavior (Öberseder, Schlegelmilch & Gruber, 2011). As the interest of consumers in CSR is increasing on one hand, Mohr et al. discovered, that CSR still plays only a minor role in consumption decisions (Mohr et al., 2001). However, other researchers claim that there is a connection between CSR activities and purchase intentions (Sen and Bhattacharya, 2001; Brown and Dacin, 1997). As there is no unified opinion on the effect of CSR on purchase intention, we would like to test this influence in the present experiment.

However, in the present study we do not aim to measure the effect of CSR information on purchase intention, but only on attitude towards buying. The reason for that is that there are many factors that may be crucial in deciding whether a product should be purchased or not, such as price, brand, etc. These factors are not included in the experiment as they would complicate the study significantly and do not reflect the main purpose of it.

Thus, we want to find out the relationship between the CSR information condition and consumer's attitude towards buying products of the company. As we do not concentrate on features of the product in the description of the company, but keep the focus on company's characteristics, we will therefore be able to test whether consumers would like to make purchases from this company or not. Similar approach was used in the study of Hoppe et al. (2013) in measuring consumer's attitudes towards buying organic foods.

# 4. Pre-Test

## 4.1  Objectives

The objectives of the pre-test were as follows:

·    To identify the type of cheese for the actual experiment;

·    To find out the company characteristics to be included in the company description during the experiment;

·    To figure out the hierarchy of CSR initiatives with the most positive attitude towards them to be included in the positive CSR condition during the experiment;

·    To identify the hierarchy of unethical corporate behaviors with the most unacceptable attitude towards them to be included in the negative CSR condition during the experiment.

## 4.2  Sample Descriptives

The pre-test was conducted on six participants. The male-female ratio was kept at 50-50%. Since the purpose of the pre-test was for the most part exploratory in nature, the sampling technique selected was determined to be non-probability convenience sampling as suggested by Saunders et al. (2009) as the most practical technique for pre-tests. The age range varied from 23 to 28 years. All participants were students at the Norwegian School of Economics.

## 4.3  Procedure

In order to achieve the objectives, the subjects were interviewed face-to-face in a place convenient for them, which usually was in their kitchens. The interviews lasted around 45 minutes each on average and included open-ended questions, as well as several rating scales. The subjects were first presented with some information about the experiment, rules and were informed that all answers would be kept confidential. The subjects were also told there were no such thing as right or wrong answers and asked to express their real thoughts and feelings about the upcoming questions and topics. Moreover, researchers made sure the subjects were not lactose intolerant and did not have allergies to any of the ingredients contained in the food samples. The subjects were not given any time limits when answering the questions, rating, or clarifying the unclear details. However, they were informed that the experiment would last approximately 45 minutes.

After the introduction, subjects were asked to try different spreadable cheeses one by one with some water in between to cleanse their palates, and rate each sample cheese after tasting on a 7-point Likert scale (7=I like this cheese, it tastes good; 1= I dislike this cheese, it tastes bad). The number of testing samples was six, as suggested by Miller's Law (Miller, 1956). This is the amount of pieces of information a person can keep in a short-term memory. A set included Castello økologisk flødeost by Arla Foods, MagerOst soltørket tomat&basilikum by Kavli, first price smøreost from Meny supermarket, kremost original urter by Tine, Rondelle Ail de Garonne & fines herbes by President and MagerOst kylling by Kavli. Types of spreadable cheeses (smøreost) were selected based on the test results from bramat experiment (bramat, 2014). Cheeses were served on little crackers with some fresh dill on top. Respondents were not presented with any brand-related information and were not exposed to any of the cheese packages prior to the taste experiment in order to not evoke any associations related to the brands. Moreover, the order of cheeses was varied with each participant in order to ensure that responses were not affected by it.

After the taste test, subjects were presented with a table that contained a list of 10 manufacturer and product characteristics (Appendix 2.4 ) and were asked to first assign values of 0-7 (0=least favorable, 7=most favorable) among 3 alternatives on each characteristic so that the sum of the assigned numbers did not exceed 7. After the subjects had completed this task, they were asked to rate the importance of each of the 10 characteristics on a 7-point Likert scale (7=the most important; 1=not important at all). This was done in order to find what subjects considered as the most important characteristics when it comes to buying cheese and exclude those criteria from the company description in the real experiment in order to control for extraneous variables.

After the manufacturer and product characteristics, the subjects were first asked an open-ended question about what CSR meant to them, how they understood it and whether there were any company names or CSR activities that came up to their mind. It was followed by a CSR activity ranking, when subjects were presented with five pieces of paper with different CSR initiatives, including diversity support, employee support, environment initiatives, community support, and production initiatives (adapted from Sen and Bhattacharya, 2001) and asked to place the papers in order of CSR priority to them, with the most important on top and the least important at the bottom. Subjects were also asked to elaborate on their choice and their motives behind their decision.

The last step of the pre-test was to figure out the most unfavorable unethical corporate behavior that can be included in the negative CSR condition during the real experiment. In order to achieve this, the subjects were first asked whether they heard of any unethical corporate behavior, what it meant to them and whether they could name any company names or examples. After that, the subjects were presented with four pieces of paper with different unethical corporate behavior examples, including environment, production, product and diversity examples, and were asked to place the papers in order of acceptability, with absolutely unacceptable on top.

When the pre-test was over, the subjects were asked if they had any comments about the test, whether something was too difficult, whether they would like to change something or had any advice on any matters in the experiment. The subjects were also revealed their choice preferences during the taste evaluation and thanked for their participation.

## 4.4  Pre-test results and Analysis

As discussed earlier in the objectives, the focus of the pre-test was on identifying the type of cheese to be used in the experiment, characteristics of the company to be included in the description and examples of the most preferable positive CSR practices and most negative examples of unethical corporate behavior. The results of each section are presented below.

### 4.4.1  Cheese rating

*Table 4.4.1 Cheese rating results*

|  | Number of participants | Minimum score | Maximum score | Mean | Std. Deviation |
|---|---|---|---|---|---|
| President Rondelle | 6 | 1.0 | 6.5 | 5.083 | 2.0595 |
| Tine Kremost Urter | 6 | 2.0 | 6.5 | 4.750 | 1.6047 |
| Arla Castello | 6 | 1.0 | 6.0 | 4.000 | 1.8974 |
| Kavli Magerost Kylling | 6 | 2.0 | 5.0 | 3.667 | 1.2111 |
| Meny First Price | 6 | 2.0 | 5.0 | 3.500 | 1.0488 |
| Kavli Magerost Basilikum | 6 | 2.0 | 4.0 | 3.167 | 0.7528 |
| Valid number (listwise) | 6 |  |  |  |  |

As presented in table 4.4.1, President Rondelle was the most liked cheese (mean=5.083), whereas Kavli magerost basilikum was the least preferred cheese

(mean=3.167). Moreover, Kavli magerost kylling was rated neutrally (mean=3.667) with scores ranging from 2 to 5. Since the main purpose of this study was to find out the effect of CSR information on taste evaluation, we needed to control for any omitted-variable bias of cheese taste itself in taste evaluation. We wanted to include a neutral tasting cheese in the actual experiment and avoid including best or worst tasting cheese in order to control for any spurious relationship between the independent and dependent variables. Since Kavli magerost kylling did not receive any extreme scores above 5 or below 2 and was rated in the middle showing that the taste was perceived neutrally as compared to the other samples, it was decided to include Kavli magerost kylling in the actual experiment.

### 4.4.2  Manufacturer and Product characteristics

In order to pick the characteristics that should be presented in the description of the company during the experiment, several questions about different company's characteristics were included. Ten characteristics were identified and tested: *country of origin, size of the company, maturity of the company, ownership type, product range, price level, presence of CSR activities, duration of CSR activities, distribution channel and technological innovativeness*. Each characteristic had three levels that respondents had to rate depending on how appealing the option was for them on a Likert scale from 1 to 7. The set of characteristics with the levels is presented in Table 4.4.2.

*Table 4.4.2 Set of manufacturer's characteristics*

| Characteristic | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Country of origin | Norway | Switzerland | France |
| Size of the company | Small | Medium | Large |
| Maturity of the company | Newly established | Medium | Well-established |
| Ownership type | Public-owned | Family-owned | Government-owned |
| Product range | Wide range | Medium range | Narrow range |
| Price level | Low price | Market price | High price |
| Presence of CSR activities | Occasional | DNA | Not present |
| Duration of CSR activities | Periodic | Short-term | Long-term |
| Distribution channel | Convenience store | Farmer's market | Large grocery |
| Technological innovativeness | Pioneer | Follower | Laggard |

At the same time, respondents were asked to rate the importance of each of the characteristic for them on a Likert scale from 1 to 7. This way, each characteristic obtained a weight and all levels got the score on how preferable they were. We have calculated the average scores or "weight" for all the characteristics included in the questionnaire. After that, the average score for every level was multiplied by the weight. This way we obtained weighted average scores for every level of the characteristic. So, we could proceed with further analysis.

As the main purpose of the experiment was to study the effect of CSR information, it was important to control for other information included in the description for not having a strong effect on the respondent. Therefore, we compared the score of all levels that ranged from 2.9 (Technological innovativeness - Laggard) to 21.6 (Product price – Market price) and divided all of them in three groups: high impact, medium impact and low impact depending on their total score. The higher the score of the level was, the more preferable it was for the respondents, at the same time having the biggest impact on their decision to buy. We aimed at finding those characteristics and levels that had lowest scores. This way we wanted to make sure that if this information was included in the description of the company, it would not outweigh the possible effect of CSR information stimuli. So, we picked the following manufacturer characteristics that could have been included in the description of the company and they are presented in Table 4.4.3.

*Table 4.4.3 Set of manufacturer's characteristics chosen for the experiment*

| Characteristic | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| Size of the company | | Medium | Large |
| Maturity of the company | Newly established | Medium | Well-established |
| Ownership type | Public-owned | Family-owned | Government-owned |
| Product range | Wide range | Medium range | Narrow range |
| Technological innovativeness | | Follower | Laggard |

This way we picked the manufacturer characteristics we could use for the description of the company with the possible lowest level of impact on participant's perception. These characteristics will also stay the same in every condition: neutral, negative and positive. The only information that will differ will be CSR information, so this way the effect of different CSR information provided could be tested.

### 4.4.3 CSR initiatives

*Table 4.4.4 Hierarchy of CSR initiatives. Reversed question*

|  | Number of participants | Minimum score | Maximum score | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Community support | 6 | 2.00 | 5.00 | 4.000 | 1.09545 |
| Environment initiatives | 6 | 3.00 | 5.00 | 3.500 | 0.83666 |
| Production initiatives | 6 | 1.00 | 5.00 | 3.3333 | 1.86190 |
| Employee support | 6 | 1.00 | 4.00 | 2.6667 | 1.21106 |
| Diversity support | 6 | 1.00 | 3.00 | 1.5000 | 0.83666 |

As presented in Table 4.4.4, community support (r)[1] was rated as the most favorable CSR activity (mean=4), whereas diversity support received the lowest rating (mean=1.5). Thus, community support was selected as a CSR activity to be included in the positive CSR company description for the actual experiment.

### 4.4.4 Unethical corporate behavior

*Table 4.4.5 Hierarchy of unethical corporate behavior. Reversed question*

|  | Number of participants | Minimum score | Maximum score | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Environment | 6 | 2.00 | 4.00 | 3.1667 | 0.75277 |
| Production | 6 | 2.00 | 4.00 | 3.0000 | 0.89443 |
| Diversity | 6 | 1.00 | 4.00 | 1.6667 | 1.21106 |
| Product | 6 | 1.00 | 4.00 | 2.1667 | 1.16905 |
| Valid N (listwise) | 6 |  |  |  |  |

As presented in Table 4.4.5, causing harm to environment (r) was rated as the most unethical corporate behavior (mean=3.1667) and, thus, was selected as an unethical corporate behavior to be included in the negative CSR company description for the actual experiment.

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[1] (r) = reversed variable

# 5. Methodology

## 5.1 Research design

Research design is defined by Saunders et al. (2009, p. 136) as the "general plan of how you will go about answering your research questions". Thus, research design is a master plan for the study, which includes descriptions of the purpose of the research, research strategy, description of measures, sampling technique, data collection, stimuli and procedure and ethical considerations. Before describing the mentioned constituents, we would like to repeat our research question again:

*How does CSR information affect consumers' attitudes towards the company, attitudes towards buying products from that company and taste evaluations; and do consumers' stated personal support of the CSR domain and taste ambiguity play moderating roles in these relationships?*

The research approach selected for this study is **abduction.** We combine both **deductive** and **inductive** approaches in our research. For the most part, our research progresses through five stages, including deducing hypotheses from available literature, expressing them in measurable terms, testing, analysing the results and modifying the theory if necessary in the light of the findings (Robson, 2002). However, since, according to our knowledge, there is currently no research on the effect of CSR on taste evaluations, we use our data to develop theory on the concept.

### 5.1.1 Purpose of the research

The purpose of this research is two-fold. First of all, since there is too little research on the effect of CSR on taste evaluation, our study is partly **exploratory** in nature. We try to further develop the knowledge area and explore it.

Secondly, we try to test causal relationships between variables and to explore main, interaction and indirect effects between the variables in the model presented in chapter 3. Knowledge has been developed and the propositions on causal relationships formulated. Thus, research design selected for this study is partly **explanatory, or causal research**. We try to explain causal relationships of relevance to the problem.

### 5.1.2 Research strategy

We use a multi-method strategy to answer our research question, including an *experiment* in a laboratory setting and a *questionnaire*. Due to time constraints and the nature of the research, time horizon selected for the study is *cross-sectional,* meaning that we studied a particular phenomenon at a particular time.

An experiment is defined by Zikmund (2000, p.308) as "a research investigation in which conditions are controlled so that an independent variable(s) can be manipulated to test a hypothesis about a dependent variable". There are different experiment designs available for researchers to select from, including basic and complex. Basic experimental designs allow for testing of the relationship between one single independent and one single dependent variable. However, this design does not fit our conceptual framework. We do not only test the relationship between two variables (main effect), but also take into account interaction effects when two variables interact and affect one dependent variable. Thus, complex experimental design had to be selected for our research. Complex experimental designs include completely randomized design, randomized block design, factorial design and latin square design (Zikmund, 2000).

*Factorial design* allows a researcher to investigate the effect of two or more treatments (factors) at various levels and investigate how different types of individuals respond to the same manipulated variable. We examined the effects of a fictitious company´s CSR information, subjects´ stated CSR support and taste ambiguity on the subjects´ company, attitudes towards buying products from that company and taste evaluations using a between-subjects factorial design. The CSR independent variable factor had three levels (1 = positive, 2 = negative, and 3 = control (no CSR information)) and was manipulated. Subjects´ support of the CSR domain was measured and subjects were categorized into two groups around the median response (1 = low support; 2 = high support). Moreover, subjects´ taste perception was also measured and subjects were divided into two groups around the median response (1 = high tasters; 2 = low tasters).

*A questionnaire* employing a variety of measures that followed the company description was used in order to identify participants´ company evaluation, attitude towards buying the products of the company, taste evaluation, stated support of the CSR domain and

perceived taste perception, as well as variety of non-related questions in order to confuse the participants with the purpose of the experiment.

### 5.1.3 Measures

In order to capture the variables we used a mix of self-constructed items, as well as measures adapted from existing academic literature. The three items for company evaluation were borrowed from Drozdova (2014) and were measured using a semantic differential scale consisting of three bipolar adjectives separated by a seven-point scale. The five items for attitude towards buying products of the company were adapted from Hoppe et al. (2013) and measured using a semantic differential scale for three items and a 7-point Likert scale with anchors *strongly disagree (1)* and *strongly agree (7)* for the two remaining items. Taste evaluation consisted of two items constructed by rephrasing items from hedonic and quality scales for rating the taste of water of Bruvold (1968) measured using a 9-point successive-category food action (FACT) rating scale initially developed by Schutz (1965). Stated taste ambiguity consisted of three self-constructed items and was measured using a 7-point Likert scale with anchors *strongly disagree (1)* and *strongly agree (7).* Subjects´ stated support of CSR domain consisted of three items inspired by Creyer (1997) and adapted from Pomering and Dolnicar (2009) and measured using a 7-point Likert scale, ranging between *strongly disagree (1)* and *strongly agree (7).* All measures used are reported in Table 5.1.1.

*Table 5.1.1 List of measurement items*

```
Company Evaluation
    My overall impression of the company is
        1. Unfavorable/Favorable
        2. Bad/Good
        3. Negative/positive
Attitude towards buying products of the company
    Buying products from this company would make me feel
        1. Unpleased/Pleased
        2. Bad/Good
        3. Like a worse person/Like a better person
        4. Doing a morally right thing
        5. A personal contribution to something better
Taste evaluation
    My overall impression of the cheese is
        1. I like this cheese extremely (1), very much (2), moderately (3), slightly (4),
        I neither like nor dislike this cheese (5), I dislike this cheese slightly (6),
        moderately (7), very much (8), extremely (9)
        2. This cheese has an excellent taste (1), a very good taste (2), a good taste (3),
        a slightly good taste (4), a neutral taste (5), a slightly bad taste (6), a bad taste
        (7), a very bad taste (8), a horrible taste (9)
```

> Stated taste ambiguity
>     1. I feel myself being very taste- and flavor sensitive
>     2. When I make food, I usually modify recipes in terms of ingredients and their quantity (e.g. add more/less spices than is required)
>     3. Among my circle of friends, I am one of the "experts" in tasting food and defining tastes
> Stated support of CSR domain
>     1. If the price and quality of two products are the same, I would buy from the firm that has a socially responsible reputation
>     2. I avoid buying products from companies that have engaged in immoral action
>     3. I consider the ethical reputation of businesses when I shop

### 5.1.4  Sampling

Sampling techniques are used in academic research whenever it is not possible to observe and record all of the behavior of all the members of a population, in other words, when it is not possible to conduct a census (Saunders et al., 2009). Due to variety of reasons, including financial limitations, time limitations and space availability, we had to settle for a **non-probability sampling** technique, which is a commonly used sampling technique when resources are limited. A combination of **self-selection**, as well as **haphazard** sampling techniques was used. Cases were self-recruited through a doodle link published online on Facebook. Moreover, cases selected randomly in the corridors of NHH were recruited until the required sample size has been reached.

The experiment was started by 75 participants. The questionnaire was fully completed by 73 participants. The drop-out rate was, thus, very low and equal to 3%. Out of 73 respondents whose questionnaires were complete, 41 (56%) were male and 32 (44%) female. Age range varied between 19 and 36 years. However, majority of respondents, 58 (80%) people were younger than 25, 14 (19%) people fell in the age range 26-30 and 1 (1%) person was aged 36. All participants were current enrolled students at NHH on different levels, including Bachelor, Master, Exchange, and Phd.

### 5.1.5  Data collection

There are two methods of data collection available for experiments, including manipulation of independent variable using different subjects, the so-called between-subjects or independent design, and manipulation of independent variable using the same subjects for all treatments, the so-called within-subjects or repeated-measures design (Field, 2014). We have decided to use a **between-subjects** design for this experiment. Within-

subjects design for our experiment could have led to respondents´ fatigue. Moreover, if we exposed subjects to three very similar company descriptions with only CSR information manipulated, it could have led to respondents´ figuring out the purpose of the experiment and trying to give the desired answers. Thus, between-subjects design fit our research goals best.

### 5.1.6  Stimuli and Procedure

The experiment was executed during week 17 in 2015. Subjects were contacted personally through social media (Facebook) and invited to participate in a study, recruited in the corridors of NHH or self-recruited through a doodle link published on Facebook. In return for the participation they were each given a 50 NOK SIB middag (dinner) voucher.

The experiment took place at NHH where participants were invited to participate in a spreadable cheese taste test and left alone with instructions, envelopes that contained a company description and questionnaires, and a food stimuli- cheese on a cracker. First, subjects read through the guidelines and some brief information about the experiment. Second, they opened an envelope one with the company description and questionnaire 1 (Appendix 3,4,5), regarding evaluation of the company and attitude towards buying products of this company. Subjects in the positive, negative and control conditions were exposed to the corresponding company´s description. They read the information provided and filled the questionnaire 1. Company description included a fictitious company based on pre-test results and was inspired by company descriptions of the experiment of Creyer and Ross (1996).

After the subjects had completed the task in the first envelope, they tasted the food stimuli - spreadable cheese on a cracker. This was followed by the task contained in the second envelope. That envelope contained questionnaire two regarding taste evaluation of the food stimuli, personal CSR support scale, taste ambiguity scale, demographic information as well as questions not related to the real purpose of the study to confuse the subjects about the research topic. After the completion of the questionnaires, subjects were asked to collect all the filled questionnaires in the unmarked envelope provided and deliver it to one of the researchers. The reward voucher was given after receiving an envelope with the filled questionnaires.

## 5.2 Ethical considerations

Research ethics, as defined by Cooper and Schindler (2014, p.28), is "norms or standards of behavior that guide moral choices about our behavior and our relationships with others". Ethics is a vital part of research and exists in order to ensure that no one suffers any harmful consequences from research activities. This research has been performed in accordance with NHH ethical research guidelines, including those of scientific research honesty, co-authorship, and dissemination of information. Moreover, the ethical treatment of participants has been ensured. Issues of anonymity and confidentiality of responses were respected by the researchers. Even though subjects had to provide the researchers with their names, e-mails and signatures after the experiment, this information was not connected with questionnaire responses in any way and was only used for the purpose of financial reporting to the department of strategy and management at NHH. Since no sensitive personal data was collected using a computer, the experiment participation was completely anonymous and there was no matching key, the research was not subject to notification to NSD – Data Protection Official for Research.

# 6. Data Analysis

## 6.1  Checking the assumptions

In order to test the hypotheses we chose several statistical analyses in SPSS: one-way ANOVA, two-way repeated measures between groups ANOVA and one-way MANOVA. However, before starting the analysis it was essential to check variables for any violation of the assumptions that underlie these techniques. Assumptions for all three analyses are presented in Table 6.1.1.

*Table 6.1.1* Assumptions for statistical analyses

| | One-way ANOVA | Two-way ANOVA | MANOVA |
|---|---|---|---|
| Continuous dependent variable(s) | ✓ | ✓ | ✓ |
| Independent variable consists of two or more categorical, independent groups | ✓ | ✓ | ✓ |
| No significant outliers | ✓ | ✓ | ✓ |
| Independence of observations | ✓ | ✓ | ✓ |
| Approximately normally distributed dependent variable for each category of the independent variable | ✓ | ✓ | |
| Multivariate normality | | | ✓ |
| Homogeneity of variance | ✓ | ✓ | |
| Homogeneity of variance-covariance matrix | | | ✓ |
| Adequate sample size | | | ✓ |
| Linear relationship between each pair of dependent variables for each group of independent variable | | | ✓ |
| No multicollinearity | | | ✓ |

Each independent variable was categorical, consisting of two or more groups, whereas dependent variables were measured on a continuous level. The whole data set was checked for significant outliers and it was chosen to exclude cases pairwise. This way the responses were

excluded only if they were missing data for required analyses and were still included in other analyses where they obtained necessary information.

In case of MANOVA, it was important to check the data for absence of univariate or multivariate outliers. That was achieved through comparison of the Mahalanobis distance values to critical values. According to Table 6.1.2, maximum value of Mahalanobis distance was 10.772. This number had to be compared to the critical value of 13.82 (a critical value for 2 independent variables as we had in our case) (Pallant, 2010). Therefore, it was concluded that there were no significant univariate or multivariate outliers, and multivariate normality was checked.

*Table 6.1.2 Mahalanobis distance*

| Residuals Statistics | | | | | |
|---|---|---|---|---|---|
| | Minimum | Maximum | Mean | Std. Deviation | N |
| Mahal. Distance | .007 | 10.722 | 1.971 | 1.889 | 69 |

The independence of observations was assured as there was no relationship between the observations in each group or the groups themselves. All participants were different in each group and no one participated in more than one group.

Each variable was also checked for the normality of distribution. The significance values are presented in Table 6.1.3. For a distribution to be normal, significance value of Kolmogorov-Smirnov test has to be higher than 0.05. However, in our case, not all the variables had normally distributed scores. Three variables, including "Total company evaluation", "Total attitude to buy", and "Total taste evaluation" had significance values of 0.025, 0.041 and 0.000 respectively, meaning that their distribution was not normal. Therefore, we had to transform variables by applying formulas of square root, reflect and square root, and logarithm depending on the type of skewness for distribution to look more normal.

*Table 6.1.3 Tests of normality for the variables*

| | Kolmogorov-Smirnov | | |
|---|---|---|---|
| **Tests of Normality** | Statistic | df | Sig. |
| Total company evaluation | .112 | 73 | .025 |
| Total attitude to buy | .106 | 73 | .041 |
| Total personal taste ambiguity | .102 | 73 | .058 |
| Total taste evaluation | .188 | 74 | .000 |
| Personal CSR support | .080 | 73 | .200 |

The three transformed variables are further referred to as "Total company evaluation (transformed)", "Total attitude to buy (transformed)" and "Total taste evaluation (transformed)".

To ensure the homogeneity of variance, Levene's test was used in case of the ANOVA test, while the results of Box's M Test of Equality of Covariance Matrices were looked at in case of MANOVA test. The results of the tests are presented in the Table 6.1.4.

*Table 6.1.4 Results of Levene's and Box's tests*

| Variable | Levene's test significance level | Box's test significance level |
|---|---|---|
| Hypothesis 1 | 0.143 | |
| Hypothesis 2 | 0.038 | |
| Hypothesis 3 | | 0.470 |
| Hypothesis 4 | 0.040 | |
| Hypothesis 5 | | 0.024 |

As the significance value for Box's test was larger than 0.001, we have not violated the assumption of homogeneity of variance-covariance matrices. For Levene's test, the significance value has to be greater than the set significance level for the assumption not to be violated. In case of Hypothesis 1, the significance level was set to 0.05 and sig. value was equal to 0.143, therefore, the assumption was not violated. However, in case of Hypothesis 2

and Hypothesis 4, we set a more stringent significance level of 0.01 for evaluating the results in order to decrease the probability of an error. So, significance values of 0.038 and 0.040 were greater than 0.01 and therefore, the assumption of homogeneity of variance was not violated.

For the MANOVA test, the assumption of adequate sample size was checked, as we made sure that we had more cases in each group than the number of dependent variables. To assess linearity, we generated scatterplots and checked the output for any obvious evidence of non-collinearity. With the help of correlation test we checked the strength of correlations among dependent variables for MANOVA test and made sure that the correlation was not strong, but rather low with the values close to 0.2.

Therefore, we have assured the variables in our dataset to meet the assumptions for the statistical techniques we planned to use to test the hypotheses.

## 6.2  Factor Analysis and Cronbach´s alpha

After checking our data for assumptions, we proceeded to Principal Component Analysis (PCA) and scale reliability analysis, results of which are summarized in Table 6.2.1 below.

*Table 6.2.1 Factor Structures and Reliability Measures*

| Factor/Construct | Item | Factor loading | KMO | Cronbach's alpha |
|---|---|---|---|---|
| Company Evaluation | | | 0.713 | 0.942 |
| | Company evaluation 1 | 0.839 | | |
| | Company evaluation 2 | 0.908 | | |
| | Company evaluation 3 | 0.945 | | |
| Attitude towards buying products of the company | | | 0.775 | 0.851 |
| | Attitude to buy 1 | 0.611 | | |
| | Attitude to buy 2 | 0.668 | | |
| | Attitude to buy 3 | 0.574 | | |
| | Attitude to buy 4 | 0.678 | | |
| | Attitude to buy 5 | 0.689 | | |
| Taste evaluation | | | 0.500 | 0.915 |
| | Taste evaluation 1 | 0.922 | | |
| | Taste evaluation 2 | 0.922 | | |
| Personal taste ambiguity | | | 0.622 | 0.660 |
| | Taste ambiguity 1 | 0.710 | | |
| | Taste ambiguity 2 | 0.513 | | |
| | Taste ambiguity 3 | 0.587 | | |
| Personal CSR support | | | 0.683 | 0.834 |
| | Personal CSR support 1 | 0.640 | | |
| | Personal CSR support 2 | 0.831 | | |
| | Personal CSR support 3 | 0.808 | | |

First of all, we verified whether our data set was suitable for factor analysis by checking the Keiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's Test of Sphericity. Bartlett's Test of Sphericity was significant ($p = 0.000$) for all scales. KMO values varied from 0.500 (taste evaluation) to 0.775 (attitude towards buying products of the company). Kaiser (1974) recommends accepting values greater than 0.5, with values between 0.5 and 0.7 as mediocre, values between 0.7 and 0.8 as good, values between 0.8 and 0.9 as great and values above 0.9 as superb (Hutcheson and Sofroniou, 1999). Thus, all of our values were acceptable, being mediocre (taste evaluation, personal taste ambiguity, personal CSR support) and good (company evaluation and attitude towards buying products of the company).

The factor loadings scores show information about how much of the variance in each item is explained. It is recommended to exclude items with factor loadings less than 0.3 since it might be an indication that the item does not fit well with the other items in its component (Pallant, 2010). Factor loadings for our scales ranged from 0.839 to 0.945 (company evaluation), from 0.574 to 0.689 (attitude towards buying products of the company), 0.922 (taste evaluation), from 0.513 to 0.710 (personal taste ambiguity), from 0.640 to 0.831 (personal CSR support). All of the factor loadings were higher than 0.3. Thus, none of the items were removed from the scales.

Scale reliability was assessed with Cronbach's Alpha. Alpha ranges in value from 0 to 1 and may be used to describe the reliability of factors extracted from multi-item scales (Santos, 1999). Higher number (up to 0.95) indicates higher reliability of the scale. There are different views on interpretation and acceptability of alpha scores, ranging in acceptance from 0.70 to 0.95 (Tavakol and Drennick, 2011). Lower scores might be due to a low number of questions, poor inter-relatedness between items or heterogeneous constructs.

Alpha scores for our scales were equal to 0.660 (personal taste ambiguity), 0.834 (personal CSR support), 0.851 (attitude towards buying products of the company), 0.915 (taste evaluation) and 0.942 (company evaluation) (Table 6.2.1). So, we can say that all scales except taste ambiguity had good internal consistencies. Personal taste ambiguity scale had a lower alpha score than what is usually accepted (0.70 being the minimum accepted score). However, we can see from the existing academic literature that alpha score as low as 0.630 is still acceptable (Hansen and Sallis, 2011). Thus, we considered all of our scales to be suitable for further analysis.

## 6.3  Hypothesis 1

*Hypothesis 1: The exposure to CSR information in the company description will have an effect on consumer company evaluations.*

A one-way between-groups analysis of variance (ANOVA) was used to explore the impact of CSR information on company evaluation. Participants were divided into three groups and we can see from Table 6.3.1 that there were 24 subjects in neutral, 21 subjects in negative and 25 subjects in positive conditions.

*Table 6.3.1 Descriptive statistics. Hypothesis 1*

| Descriptives | | | |
|---|---|---|---|
| Total company evaluation (transformed) | | | |
| | N | Mean | Std. Deviation |
| neutral | 24 | 2.5594 | .58209 |
| negative | 21 | 3.4040 | .42819 |
| positive | 25 | 2.1037 | .71769 |
| Total | 70 | 2.6500 | .79326 |

According to table 6.1.4, the Sig. The value for Levene´s Test was equal to 0.143, which was greater than 0.05, so we have not violated the assumption of homogeneity of variance and could proceed with further analysis of data.

There was a statistically significant difference at the $p < .05$ level for the three conditions (Table 6.3.2): $F_{(2,67)} = 27.56$, $p = .000$.

*Table 6.3.2 Results of ANOVA test. Hypothesis 1*

| ANOVA | | | | | |
|---|---|---|---|---|---|
| Total company evaluation (transformed) | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 19.598 | 2 | 9.799 | 27.560 | .000 |
| Within Groups | 23.822 | 67 | .356 | | |
| Total | 43.419 | 69 | | | |

Post-Hoc comparisons using Tukey HSD test were used to explore the differences between groups (Table 6.3.3). The test indicated that the mean total company evaluation score (transformed) for Neutral condition (M = 2.5594, SD = 0.58209) was significantly different from Positive condition (M = 2.1037, SD = 0.71769) and Negative condition (M = 3.4040, SD = 0.42819). Moreover, the mean total company evaluation score (transformed) for Positive condition (M = 2.1037, SD = 0.71769) was also significantly different from negative condition (M = 3.4040, SD = 0.42819). Thus, total company evaluation score (transformed) was significantly different between all three groups.

*Table 6.3.3 Post Hoc Comparisons. Hypothesis 1*

| Multiple Comparisons | | | | |
|---|---|---|---|---|
| Dependent Variable: Total company evaluation (transformed) | | | | |
| Tukey HSD | | | | |
| (I) CSR condition | (J) CSR condition | Mean Difference (I-J) | Std. Error | Sig. |
| neutral | negative | -.84466[*] | .17817 | .000 |
| | positive | .45566[*] | .17040 | .025 |
| negative | neutral | .84466[*] | .17817 | .000 |
| | positive | 1.30032[*] | .17650 | .000 |
| positive | neutral | -.45566[*] | .17040 | .025 |
| | negative | -1.30032[*] | .17650 | .000 |

\* The mean difference is significant at the 0.05 level.

Based on the one-way ANOVA results, we can confirm hypothesis 1. That is to say, the exposure to CSR information in the company description does have an effect on consumer company evaluations.

## 6.4  Hypothesis 2

*Hypothesis 2: The relationship between an exposure to CSR information in the company description and participant´s attitude towards the company will be moderated by the subjects stated support of CSR domain in general.*

A two-way between-groups analysis of variance (ANOVA) was conducted to explore the impact of CSR information in the company description and subjects´ stated support of CSR domain on attitudes towards the company. Subjects were divided into three groups based on CSR condition (neutral/positive/negative) and each group was further divided into two groups based on subjects´ stated support of CSR domain (high/low). Thus, there were a total of six groups (Table 6.4.1). It was difficult to control for equal number of participants in each group, thus, the number of participants in each group turned out to be rather unequally distributed.

*Table 6.4.1 Descriptive statistics. Hypothesis 2*

| Descriptive Statistics | | | | |
|---|---|---|---|---|
| Dependent Variable: Total company evaluation (transformed) | | | | |
| CSR condition | High/low csr | Mean | Std. Deviation | N |
| neutral | Low | 2.5566 | .62985 | 9 |
| | High | 2.5181 | .57055 | 14 |
| | Total | 2.5331 | .58051 | 23 |
| negative | Low | 3.2220 | .36864 | 8 |
| | High | 3.5160 | .43659 | 13 |
| | Total | 3.4040 | .42819 | 21 |
| positive | Low | 2.4827 | .90157 | 8 |
| | High | 1.9207 | .57597 | 16 |
| | Total | 2.1080 | .73279 | 24 |
| Total | Low | 2.7459 | .72182 | 25 |
| | High | 2.5975 | .84348 | 43 |
| | Total | 2.6520 | .79864 | 68 |

The Sig. value for Levene´s test was equal to .038 (table 6.1.4). As this was larger than .01 (our set significance level), we concluded that we had not violated the homogeneity of variances assumption and could further proceed with analysis of data.

The interaction effect between CSR condition and stated CSR support was not statistically significant, $F_{(2,62)}=2.802$, $p = .068$ (table 6.4.2). There was a statistically significant main effect for CSR condition, $F_{(2,62)} = 21.427$, $p = .000$, which we observed in hypothesis 1. However, the main effect for stated support of the CSR domain was not statistically significant, $F_{(1,62)} = 0.478$, $p = .492$.

*Table 6.4.2 Tests of Between-Subjects Effects. Hypothesis 2*

| **Tests of Between-Subjects Effects** | | | | | | |
|---|---|---|---|---|---|---|
| Dependent Variable: Total company evaluation (transformed) | | | | | | |
| Source | Type III Sum of Squares | df | Mean Square | F | Sig. | Partial Eta Squared |
| CSR condition | 14.729 | 2 | 7.365 | 21.427 | .000 | .409 |
| Personal CSR support | .164 | 1 | .164 | .478 | .492 | .008 |
| CSR condition * Personal CSR support | 1.926 | 2 | .963 | 2.802 | .068 | .083 |
| Error | 21.310 | 62 | .344 | | | |
| Total | 521.000 | 68 | | | | |
| Corrected Total | 42.734 | 67 | | | | |

Thus, based on the results from a two-way ANOVA we can reject hypothesis 2. That is to say, the relationship between an exposure to CSR information in the company description and participant´s attitude towards the company IS NOT moderated by subjects stated support of CSR domain in general.

## 6.5  Hypothesis 3

***Hypothesis 3: Prior exposure to information regarding company's CSR activity will have an indirect effect on participant´s product evaluation, specifically taste evaluation. This relationship will be mediated by participants´ company evaluation.***

To test the potential effect of prior CSR information provided in a company description on taste evaluation of a product of the company, the MANOVA test was used as a statistical technique. The independent variable – CSR condition (positive, neutral or negative) had a categorical level, whereas two dependent variables: Company evaluation and Taste evaluation were measured on a continuous level. Therefore, all subjects were divided into three groups by CSR condition and were not part of more than one condition. Neutral condition consisted of 23 participants, Negative – 21, and Positive – 25 participants (table 6.5.1). As it can be seen, some cases were excluded as missing cases.

*Table 6.5.1 Descriptive statistics. Hypothesis 3*

| | | Value Label | N |
|---|---|---|---|
| CSR condition | 1 | neutral | 23 |
| | 2 | negative | 21 |
| | 3 | positive | 25 |

As discussed earlier, all the assumptions for carrying out MANOVA test were met, therefore, the test could be performed. Wilk's Lambda indicates whether there is a significant difference among the groups on a linear combination of the dependent variables. We obtained a Wilk's Lambda of 0.546 with a significance value of 0.000 (table 6.5.2). That was less than 0.05, therefore, there was a statistically significant difference among the groups.

*Table 6.5.2 Multivariate tests. Hypothesis 3*

| **Multivariate Tests** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Effect | | Value | F | Hypothesis df | Error df | Sig. | Partial Eta Squared |
| CSR condition | Pillai's Trace | .454 | 9.698 | 4.000 | 132.000 | .000 | .227 |
| | Wilks' Lambda | .546 | 11.482 | 4.000 | 130.000 | .000 | .261 |
| | Hotelling's Trace | .831 | 13.293 | 4.000 | 128.000 | .000 | .293 |

In order to investigate whether subjects in different conditions differed on both of the dependent measures or not, we needed to analyse the results of Tests of Between-Subjects Effects that are presented in Table 6.5.3. As can be seen, only one of the dependent variables (Total Company Evaluation (transformed)) had a significance level of less than a cut-off of 0.17. However, the Significance level for the second variable was 0.295 which was higher than 0.17.

*Table 6.5.3 Tests of Between-Subjects Effects. Hypothesis 3*

| | | **Tests of Between-Subjects Effects** | | | | | |
|---|---|---|---|---|---|---|---|
| Source | Dependent Variable | Type III Sum of Squares | df | Mean Square | F | Sig. | Partial Eta Squared |
| CSR condition | Total company evaluation (transformed) | 19.605 | 2 | 9.803 | 27.168 | .000 | .452 |
| | Total taste evaluation (transformed) | .066 | 2 | .033 | 1.243 | .295 | .036 |

Thus, the only significant difference among subjects in neutral/negative/positive condition was in company evaluation scores and <u>NOT</u> in taste evaluation. Therefore, there was no relationship between CSR information provided in the company description and taste evaluation. Hence, it is obvious that it is not mediated by company evaluation. Thus, we can say that hypothesis 3 was rejected.

## 6.6 Hypothesis 4

**Hypothesis 4:** *The influence of CSR information on taste evaluation will be moderated by personal taste ability.*

It was hypothesized that the relationship between the CSR condition that the participant was part of and the taste evaluation would be moderated by personal taste ambiguity. However, as we have seen in the Hypothesis 3, there was no relationship between the CSR condition that the person belonged to and taste evaluation. Therefore, this hypothesis can be rejected as well, as the relationship did not exist in the first place, and therefore, can not be moderated. This can also be proven by looking at the results of the two-way ANOVA that was run to just confirm the results from the previous hypothesis.

All subjects were divided into three groups depending on the CSR information condition (positive, negative, neutral). At the same time, all the participants were assessed in terms of how they perceived their personal taste ability, whether they were high tasters or low tasters (table 6.6.1).

*Table 6.6.1 Descriptive Statistics. Hypothesis 4*

|  |  | Value Label | N |
|---|---|---|---|
| CSR condition | 1 | neutral | 23 |
|  | 2 | negative | 21 |
|  | 3 | positive | 25 |
| Personal taste ambiguity | 1 | low | 33 |
|  | 2 | high | 36 |

All the assumptions for this test were met as discussed earlier, therefore, we could analyse the results. Looking at the Tests of between-subjects effect, we could see that the significance value was equal to 0.631. Therefore, the effect was insignificant, as 0.631 is greater than the critical value of 0.05 (table 6.6.2).

*Table 6.6.2 Tests of Between-Subjects Effects. Hypothesis 4*

| Tests of Between-Subjects Effects | | | | | | |
|---|---|---|---|---|---|---|
| Dependent Variable:   Total taste evaluation (transformed) | | | | | | |
| Source | Type III Sum of Squares | df | Mean Square | F | Sig. | Partial Eta Squared |
| CSR condition * Personal taste ambiguity | .025 | 2 | .012 | .464 | .631 | .015 |

Therefore, results of two-way ANOVA confirmed once again that there was no relationship between CSR condition and taste evaluation. So, the hypothesis about moderating effect of such a relationship was also rejected. Thus, hypothesis 4 was rejected.

## 6.7  Hypothesis 5

**Hypothesis 5.** *There will be an effect of CSR information on a personal attitude to buy products from the company. The effect will be moderated by the personal attitude towards the company.*

To test this hypothesis, MANOVA test was performed. After Mahalanobis distances and results of Box's test were checked, we could analyze whether there was a significant difference between groups in three different conditions on their attitudes to buy products

from a described company. Due to some missing values, the number of respondents which answers were included in the analysis was as follows, presented in Table 6.7.1.

*Table 6.7.1 Descriptive Statistics. Hypothesis 5*

|  |  | Value Label | N |
|---|---|---|---|
| CSR condition | 1 | neutral | 23 |
|  | 2 | negative | 21 |
|  | 3 | positive | 25 |

The obtained Wilk's Lambda was equal to 0.462 and a significance level of 0.000 indicated that there was a significance difference between the groups. Results of multivariate tests are presented in Table 6.7.2.

*Table 6.7.2 Results of the multivariate tests. Hypothesis 5*

| **Multivariate Tests** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Effect |  | Value | F | Hypothesis df | Error df | Sig. | Partial Eta Squared |
| CSR condition | Pillai's Trace | .539 | 12.184 | 4.000 | 132.000 | .000 | .270 |
|  | Wilks' Lambda | .462 | 15.289[b] | 4.000 | 130.000 | .000 | .320 |
|  | Hotelling's Trace | 1.158 | 18.533 | 4.000 | 128.000 | .000 | .367 |
|  | Roy's Largest Root | 1.155 | 38.114[c] | 2.000 | 66.000 | .000 | .536 |

As a significant difference among conditions was found, we could proceed with the checking whether the results differed on both of the dependent measures. The results of Tests of Between-Subjects Effects that are presented in Table 6.7.3 confirm that results from different conditions differ on both dependent measures since significance levels for both of the variables were lower than a cut-off point of 0.17. In Table 6.7.3, we can see that significance level for both dependent variables (total company evaluation (transformed) and total attitude to buy (transformed)) is equal to 0.000.

*Table 6.7.3 Tests of Between-Subjects Effects*

| Source | Dependent Variable | Type III Sum of Squares | df | Mean Square | F | Sig. | Partial Eta Squared |
|---|---|---|---|---|---|---|---|
| Corrected Model | Total company evaluation (transformed) | 19.676 | 2 | 9.838 | 27.491 | .000 | .454 |
| | Total attitude to buy (transformed) | 9.154 | 2 | 4.577 | 34.128 | .000 | .508 |
| Intercept | Total company evaluation (transformed) | 494.051 | 1 | 494.051 | 1380.551 | .000 | .954 |
| | Total attitude to buy (transformed) | 1446.459 | 1 | 1446.459 | 10785.475 | .000 | .994 |
| CSR condition | Total company evaluation (transformed) | 19.676 | 2 | 9.838 | 27.491 | .000 | .454 |
| | Total attitude to buy (transformed) | 9.154 | 2 | 4.577 | 34.128 | .000 | .508 |

As conditions differed on both measures, we could proceed with the multiple comparisons to evaluate the difference among each combination of conditions. Results of this test presented in Table 6.7.4 show that there was a difference on each measure when every condition was compared to another one. In other words, there was a significant difference among neutral, negative and positive condition in their attitudes towards the company and attitude towards buying products from this company. This conclusion was made as all the significance levels had values of less than 0.05, which confirmed a difference between each pair of compared conditions.

*Table 6.7.4 Multiple comparisons. Hypothesis 5*

| Dependent Variable | (I) CSR condition | (J) CSR condiiton | Mean Difference (I-J) | Std. Error | Sig. | 95% Confidence Interval | |
|---|---|---|---|---|---|---|---|
| | | | | | | Lower Bound | Upper Bound |
| Total company evaluation (transformed) | Neutral | Negative | -.8638 | .18056 | .000 | -1.2967 | -.4309 |
| | | Positive | .4365 | .17284 | .037 | .0221 | .8509 |
| | Negative | Neutral | .8368 | .18056 | .000 | .4309 | 1.2967 |
| | | Positive | 1.3003 | .17708 | .000 | .8757 | 1.7249 |
| | Positive | Neutral | -.4365 | .17284 | .037 | -.8509 | -.0221 |
| | | Negative | -1.3003 | .17708 | .000 | -1.7249 | -.8757 |
| | | | | | | | |
| Total attitude to buy (transformed) | Neutral | Negative | .6246 | .11053 | .000 | .3596 | .8897 |
| | | Positive | -.2546 | .10581 | .049 | -.5083 | -.0009 |
| | Negative | Neutral | -.6246 | .11053 | .000 | -.8897 | -.3596 |
| | | Positive | -.8793 | .10840 | .000 | -1.1392 | -.6194 |
| | Positive | Neutral | .2546 | .10581 | .049 | .0009 | .5083 |
| | | Negative | .8793 | .10840 | .000 | .6194 | 1.1392 |

Therefore, we can accept hypothesis 5 and conclude that there is an effect of CSR information on an attitude to buy products from the company. This relationship is moderated by personal attitude towards the company.

## 6.8 Summary of results

A short summary of our results in presented in Table 6.8.1. We can see that hypotheses one and five were supported, which means that CSR information in the company description had an effect on subjects´ attitudes towards the company and buying products from that company. Meanwhile, hypotheses two, three and four were rejected, which means that CSR information in the company description did not have an effect on subjects´ taste evaluation through company evaluation, the relationship between CSR information in the

company description and taste evaluation was not moderated by personal taste ambiguity, and stated personal support of the CSR domain did not moderate the relationship between CSR information in the company description and the subjects´ attitude towards the company.

*Table 6.8.1 Summary of the supported and rejected hypotheses*

| Hypotheses | Supported/Rejected (yes/no) |
| --- | --- |
| Hypothesis 1 | Yes* |
| Hypothesis 2 | No |
| Hypothesis 3 | No |
| Hypothesis 4 | No |
| Hypothesis 5 | Yes* |

*Hypothesis supported at 0.05 significance level

Moreover, we use our conceptual framework presented in chapter 3 in order to illustrate the results graphically (Figure 6.8.1).
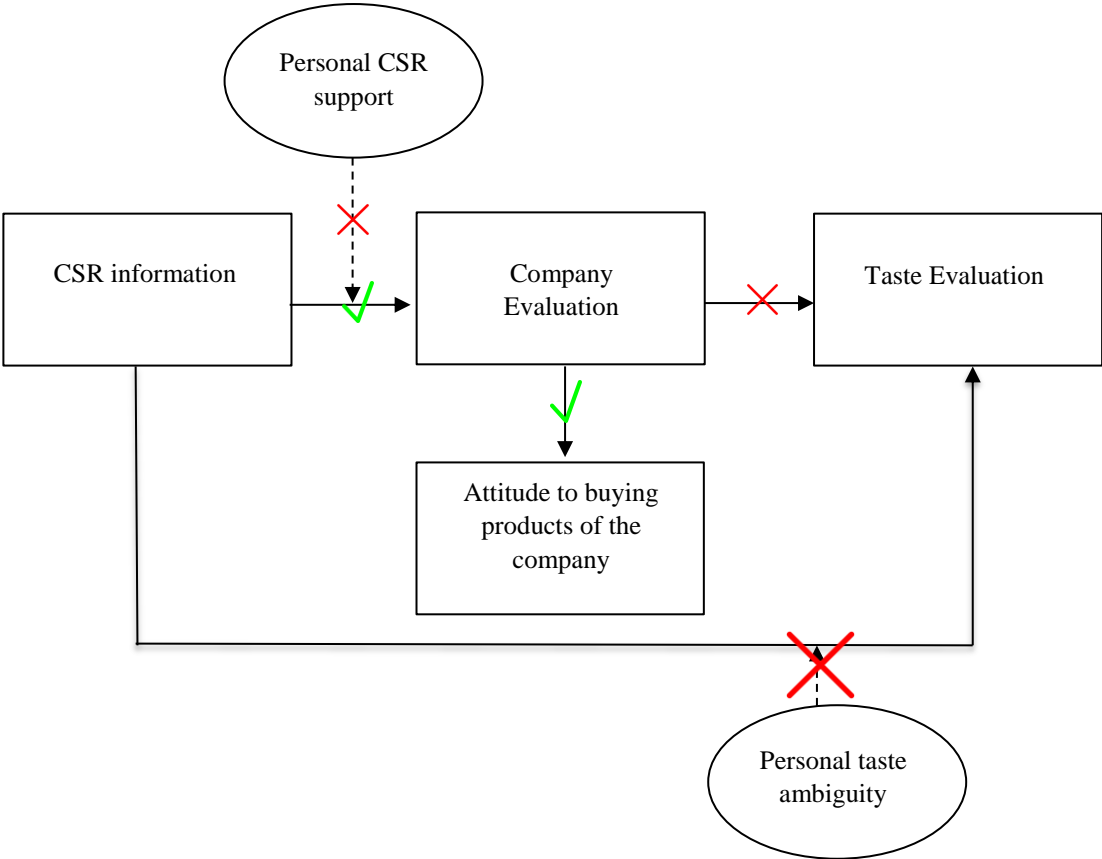


*Figure 6.8.1 Graphical illustration of results*

# 7. Discussion

By carrying out a cheese taste experiment we were able to delve deeper into the knowledge areas of subjective taste evaluation and the effect of extrinsic cues, specifically CSR information, on consumer attitudes towards companies, buying products from the companies and attitudes towards the taste of the products. The results of the executed experiment contribute to the expanding body of knowledge on the topics and will be described here through theoretical, as well as managerial implications in the light of existing literature.

## 7.1 Theoretical implications

### 7.1.1 The effect of CSR information on attitude towards the company

The findings of our cheese taste experiment regarding the effect of CSR information included in the fictitious company description on attitude towards the company, also referred to as company or corporate evaluation, were rather unsurprising and in line with the results of Brown and Dacin (1997) and Sen and Bhattacharya (2001).

As hypothesized in section 3.2, positive CSR information resulted in higher company evaluations as compared to no CSR information in company description. Whereas, companies with negative CSR information in the description received the lowest company evaluation scores.

As stated by Brown and Dacin (2007), both Corporate Ability (CA) and CSR associations play an important role in influencing consumer evaluations of companies. Our results supported this statement regarding the CSR associations in our experiment and showed that young consumers (majority aged 20-30) pay an attention to companies´ CSR engagement. Moreover, CSR engagement acts as an influential input in consumer company evaluations. Companies that act as good corporate citizens look more favorable in the eyes of consumers. Whereas, companies that act as bad corporate citizens evoke negative thoughts and feelings in the eyes of consumers that further result in less favorable evaluations of those companies.

### 7.1.2 The moderating effect of CSR support

Sen and Bhattacharya (2001) state that consumers stated support of the CSR domain influences consumer-company (C-C) congruence, which, in turn, affects their company

evaluation. So, consumers who value CSR initiatives perceive greater congruence between themselves and the company supporting CSR activities, which further results in a higher company evaluation. We wanted to test the direct relationship between CSR information and company evaluation moderated by stated support of the CSR domain without the inclusion of the mediating effect of C-C congruence in the experiment. Thus, we hypothesized that stated support of the CSR domain would moderate the effect of CSR information in the company description (positive/negative/neutral) on company evaluation. We wanted to replicate the findings of Sen and Bhattacharya (2001), who found that all consumers react negatively to negative CSR information, whereas only those who value CSR issues react positively to positive CSR information.

Even though our results are not statistically significant and the second hypothesis was rejected as presented in section 6.4, which is most probably due to limitations of our study, specifically small sample size and unequal distribution of subjects into cells, described further in this work, if we compare means between the groups we can clearly notice the trend that we were looking for. The trend is in line with the findings of Sen and Bhattacharya (2001). Young consumers (majority aged 20-30) who indicated a higher importance of ethical values rated the positive CSR companies higher than low-support consumers. The company evaluation of low CSR support consumers in positive CSR information condition did not differ significantly from their company evaluation score in no CSR information condition. Whereas, all participants, disregarding their stated support of the CSR domain, indicated the lowest company ratings when presented with negative CSR information in the company description.

We assume that if the same experiment is replicated with at least 200+ participants and equal distribution of subjects into cells is ensured, results of this hypothesis might most probably appear to be statistically significant.

### 7.1.3 The effect of CSR information on taste evaluation

As it was described earlier, taste is a complex construct that involves not only various human's senses in the process of perception, but can also be a subject to the influence from external sources such as information regarding product characteristics, company, brand, etc (Hoegg and Alba, 2007). Findings of our experiment suggest that there is no significant influence of CSR information on taste evaluation as a part of product evaluation. There was no significant result in any of the conditions.

It was presumed that participants under different conditions (positive/negative/neutral) would express differences in taste perception due to the effect of information on company evaluation, and result in forming a respective attitude towards the expected taste of the product. We hypothesized that respondents included in the positive condition would rate the cheese with the highest scores, neutral – with medium and negative – with the lowest ones. However, after running MANOVA analysis, results were insignificant.

To our knowledge, the effect of CSR on taste evaluation has not been studied before. However, there is an extensive amount of research in the area of finding out the relationship of extrinsic cues on taste perception and their possible influence. Therefore, we decided to test whether CSR could play a role of such an extrinsic cue in disturbing the taste evaluation. At the same time, we based our assumption on the fact that taste is ambiguous and cannot be limited to only a physiological interpretation (Boutaud, 1999). All these gave us an insight to test the relationship of CSR information and taste.

Even though the hypothesis of such a relationship was not supported, there is still room for future research in this direction. Some of the reasons why results could be insignificant in this case are small sample size and imperfections in questionnaire design. Using simple mathematical methods of calculating average scores of taste evaluations in each of the condition we were able to see that there were trends in responses consistent with our assumption. Therefore, we would like to suggest this topic for future development.

### 7.1.4 The moderating effect of personal tasting abilities

Due to physiological and psychological differences, people may perceive exactly same food differently. For example, supertasters are more sensitive to particular flavors than others and, therefore, taste perception may vary significantly (Boutaud, 1999).

We assumed that even though information about the company could have had an effect on taste evaluation, first and foremost, participants would have relied on their actual physiological reaction. Therefore, we hypothesized that personal taste abilities would have a moderating effect on the relationship between CSR condition and taste evaluation. However, results of the study of Litt & Shiv (2012) showed an interesting finding, that people might disregard their actual physiological senses and rely on the information provided when making taste evaluation (Litt & Shiv, 2012).

However, due to the limitations of the research we were not able to test actual tasting abilities of the participants and their taste sensitivity. Therefore, we tested *perceived* tasting ability of the participants by asking questions regarding taste sensitivity. This way we were able to analyze subjects' judgments in regards to their ability to taste food, intensity of flavors for them and sensitivity to flavors. After subjects were divided into two groups of high tasters and low tasters, we looked at the relationship between CSR condition and perceived taste ability. Applying two-way ANOVA for testing the hypothesis, we revealed that the effect of personal taste abilities is insignificant on the perceived taste evaluation. After testing the relationship between perceived taste ability and taste perception, we discovered that there was no significant effect either. A reason for that can be the fact that we have only been able to measure perceived tasting ability, but not the actual one. However, it could be possible that actual tasting ability would have an effect on taste evaluation of the product. Therefore, it could be a topic for the development for future research.

In the present study, personal tasting abilities did not have an effect on the final taste evaluation of the product. Possibly, this happened because of the chosen way of measurement through questionnaire, whereas physical test could be more appropriate. Though, due to the limited resources this way of testing was not possible, we still tried to include this construct in the experiment and try to measure its possible effect.

### 7.1.5  The effect of CSR information on attitude towards buying products

As a part of the company's communication, CSR activities are often expected to attract consumers to the products of the company, create a better image and, finally, positively affect sales (Öberseder, Schlegelmilch & Gruber, 2011). In the current experiment, we hypothesized that there would be an effect of CSR information on consumer's attitude towards buying products of the company. In other words, we have tested whether participants in a positive condition would perceive a purchase from the described company in the most favorable way comparing to neutral and negative conditions. We have also presumed that this relationship would be moderated by the respondents' company evaluation.

The results have confirmed our hypothesis and illustrated that there is a connection in which a consumer's attitude is formed after receiving CSR information about the company. In a positive condition, respondents expressed the highest score in terms of their willingness to buy products of the described company. Comparing the results of all conditions between each other, we could see that the Mean difference in the score between positive and negative

condition was 0.8793, positive and neutral 0.2546, negative and neutral 0.6246. These differences in mean scores between the groups illustrate that the most favorable attitudes towards buying were formed among respondents within a positive condition, less favorable – in neutral condition with no CSR information and least favorable in a negative condition.

Our findings are in line with the findings of vast number of researchers who claim that CSR activities have an effect on the formation of personal attitudes (Hartmann, 2011). It is also consistent with the findings of Sen and Bhattacharya (2011) that there is a positive relationship among the company's CSR actions and attitudes towards its products.

## 7.2  Managerial implications

Managers face difficult decisions when formulating a CSR strategy. As it was discussed in introduction to this study, managers should be able to answer two questions: 1) whether consumers are aware of CSR practices of the company? 2) how is this important in buying process? As the first question is not in the scope of this paper, we tried to get some insights to answer the second question of importance of CSR practices to consumers. In this study, we got the results that CSR engagement affects company evaluation and attitude to buy products from this company.

*The effect of CSR on company evaluation*

The Results of this study suggest that consumers rate a company with socially responsible practices higher than a company with no CSR engagement or a company that is or was involved in some unethical behavior. These findings are in line with research that supports the idea of a positive effect of positive CSR on the company and consumers' attitudes towards it (Sen & Bhattacharya, 2001). Therefore, managers may use company CSR engagement as a tool to create a better image of the firm in the eyes of the stakeholders.

What was a surprising finding in this study is that personal support of the CSR cause did not have an effect on the company evaluation. So, participants rated a company depending only on the condition they participated in. This brings us to an interesting implication in terms of communicating CSR practices to the consumers. Even though managers may think that communicating CSR related information to the consumers might only be valid for a certain group of consumers, the results of our study suggest that the effect of CSR communication will occur regardless of personal support of CSR activities. Though, the strength of such an

effect may differ from person to person, this study has shown a tendency among respondents to rate companies respectively to their description.

Therefore, we can suggest that the communication of CSR related information may, in some cases, help managers to create a better attitude towards the company and get a better image in the eyes of consumers.

*The effect of CSR on attitude towards buying products from this company*

Not only did CSR information affect attitudes towards the company, it also affected participant's attitude towards buying from this company. The results of this study suggest that personal willingness to buy products from the socially responsible company is higher than from companies with no CSR engagement or negative CSR record. In other words, consumers show more interest in the products of a company involved in the CSR practices. On the one hand, it brings us to a conclusion that companies may be interested in CSR in terms of improving image of their products and increasing willingness to buy.

However, it is important to keep in mind that the existence of the attitude-behavior gap might interfere in this relationship. As some researchers agree, consumers may state their positive attitude towards CSR but not act accordingly to their statements. Consumers' support of CSR practices might not necessarily translate into increased sales (Pomering & Dolnicar, 2009).

Nevertheless, we have still confirmed that consumers have positive feelings towards buying products from a socially responsible company. This can be communicated by managers to customers in order to create a better image of company's products.

# 8. Limitations and Future research

This research was executed as part of a master thesis, which had its limitations regarding resources and time, which in turn might have had an influence on the credibility of research findings. In order to ensure the credibility of research findings, it is important to have a good research design with a special attention paid to the issues of reliability and validity. Reliability refers to the consistency of research findings and to the extent to which data collection and data analysis procedures can be repeated and if the results from the repeated procedure will yield similar to the original study results (Saunders et al., 2009). Validity, in turn, refers to the establishment of causal relationship between variables and measurement of what was intended to be measured (Saunders et al., 2009). Different threats to reliability and validity and how we dealt with them in this research will be described in this section. Moreover, suggestions for future research will be presented.

## 8.1 Reliability

*Internal reliability* refers to the extent to which individual items of the measurement instrument produce results consistent with the rest of the items, the so-called internal consistency of the items (Field, 2005). Internal reliability for our five multi-item measurement scales was assessed by calculating Cronbach´s alpha in SPSS, the results of which were presented in Results Section (section 6.2). Thus, internal reliability of items in the scales was acceptable with values ranging from 0.660 and higher.

*External reliability*, on the other hand, refers to the degree of consistency of a measure over time (Bryman and Cramer, 2011). In order to ensure a high level of external reliability, test-retest technique is recommended, when participants participate in the same study twice with some time interval in between and the results from both participations are compared by researchers. If participations yield the same results both times, then external reliability is ensured. However, Saunders et al. (2009) notes that it is usually challenging to persuade respondents to participate in the same experiment twice and since we were faced with time limits, as well as financial limits for rewards of participation, test-retest technique was not implemented.

Moreover, as presented by Saunders et al. (2009), there might be four other threats to reliability, including participant error, participant bias, observer error and observer bias.

Observer error was overcome by introducing a high degree of structure to the questionnaire, which only had close-ended questions, as well as clear guidelines regarding the execution of the experiment. All participants were left alone in the experiment settings without either of the researchers being present in the experiment room during the course of experiments.

Moreover, since the questions were close-ended, SPSS software was used to evaluate the results and, thus, subjective evaluation associated with open-ended questions interpretation was avoided, hence, the observer bias was limited.

Participant bias happens when subjects provide answers which might look more socially desirable or which they think a researcher wants them to provide, but might not necessarily hold true for them. Participant bias is also referred to as "social desirability bias" and happens as a result of two separate factors: self-deception and other-deception (Nederhof, 1985). The first one, self-deception, represents an overly favorable self-presentation, whereas, the second one, other-deception, represents a desire to present oneself in a socially desirable way (Fisher and Katz, 2008). Even though it is difficult to ensure that participants are not guided by social desirability bias, certain steps were taken to avoid this. First, anonymity of responses was ensured by providing participants with guidelines for the experiment, including a statement about anonymity, before the experiment start. Moreover, in order to avoid receiving researcher-desirable answers, participants were not provided with information about the purpose of the experiment until the end of the experiment. Thus, a blind experiment study was implemented.

Respondent error was, perhaps, the strongest threat to reliability since the experiment was associated with food sampling and evaluation and the state of hunger might have affected cheese evaluation scores. Thus, hungry participants might have given a higher cheese evaluation score when compared to non-hungry participants. However, we took this into account and tried to control for. The experiment was run within a couple of hours after breakfast and within a couple of hours after lunch. However, since people might have different eating habits and times, it was difficult to ensure that participants were not feeling hungry in the experiment room.

Overall, we can say that this study and its results demonstrate an acceptable level of internal and external reliability. Some weaknesses are still present like in any other research, but they are acknowledged and most of them are controlled for.

## 8.2  Validity

*Internal validity* in experimental design is a basic minimum without which any experiment is uninterpretable (Campbell and Stanley, 1963). It refers to a researches ability to determine whether the causal relationship between independent and dependent variables exists. In order to be sure that the change in independent variable produces a different result for dependent variable, we need to control for threats that might be a reason for the causal relationship. There are eight extraneous factors, or threats, jeopardizing internal validity of an experiment that might produce effects confounded with the effects of experimental stimulus, including history, maturation, testing, instrumentation, statistical regression, selection, mortality and experimenter bias (Campbell and Stanley, 1963; Heffner, 2004).

History refers to the outside events that might have an effect on subjects´ responses. Random selection of subjects and their random assignment to different groups was implemented in order to assure that outside events that occur in one group are also likely to occur in another group (Heffner, 2004).

Maturation refers to the effect of time on our behavior, attitudes and responses and is usually a threat to longitudinal studies. Since our study was cross-sectional and we studied a particular phenomenon at a particular time, maturation did not represent a threat to internal validity.

Testing represents a threat to internal validity since participants might act differently when they know the purpose of your research (Saunders et al., 2009). Moreover, when subjects participate in a pretest and then the same test as a posttest, they might perform better as people tend to perform any activity better the more they are exposed to that activity (Heffner, 2004). In order to control for the effect of testing, two groups and a control group with a between-subjects design was used, as recommended by Heffner (2004). Moreover, as mentioned earlier, participants were not informed about the purpose of the research until the end of the experiment.

Instrumentation refers to the degree of change in scores attributed to the change in the measurement device used in the study or the change in observers rather than the independent variable (Heffner, 2004). In order to control for instrumentation, instrument consistency was ensured and no changes were introduced to the experiment. Moreover, both observers were always present at the experiment setting and, as mentioned before, were outside of the experiment room whenever subjects were participating in the experiment.

Statistical regression refers to the tendency for subjects who score very high or very low to score more toward the mean on subsequent testing (Heffner, 2004). This did not represent a threat to internal validity since a between-subjects design was used and, thus, all the subjects participated only in one condition each.

Selection refers to the way the participants are selected and assigned into groups. In order to control for differences between the groups, it is recommended to use random selection and random assignment of subjects to groups, which was done in our case (Heffner, 2004).

Mortality concerns the dropout rate that can substantially affect the study results. As such, we did not have a complete dropout rate. All subjects completed the experiment completely, but 73 of 75 subjects completed the questionnaire completely. The dropout rate was, thus, 3% and was most probably due to researchers' failure. The questionnaire was printed on both sides of A4 paper and two people most probably have not noticed the second page of the questionnaire. This has to be taken into account when performing a similar experiment with questionnaire in the future.

Experimenter bias refers to researchers being biased toward the results they want (Heffner, 2004). In other words, researchers tend to find whatever they expected to find. However, this was not the case in our research. Even though we do not deny that the experiment might have been designed in such a way to get the desired responses, the results showed that we did not find what we expected to find for the three out of five hypotheses. Thus, experimenter bias was eliminated.

*External validity* or *representativeness* concerns the issue of generalizability of research findings to other research settings, populations, treatment variables and measurement variables (Campbell and Stanley, 1963). Three of the most important forms of external validity include robustness, ecological validity, and relevance (Brewer, 2000).

Robustness refers to the issue of replicability of research findings to other persons, settings and historical contexts (Brewer, 2000). To put it simply, robustness concerns whether a certain research can be replicated in another laboratory, with other participants and different researchers. Since we performed our experiment in a laboratory setting at NHH using only university students from different countries, we cannot claim that our findings can be generalized to the whole of Norwegian population or to the world at large. As compared with the general population, university students are likely to have stronger cognitive skills,

less well-formulated or crystallized attitudes and self-concepts, stronger tendency to comply with authority, and less stable group identities (Sears, 1986). The laboratory setting might exaggerate these differences. Therefore, we can only assume that our findings might be generalisable to other student populations in Norway or in the world, however, we cannot claim it with confidence. Robustness is also related to experiment setting. Since the experiment was conducted in a research laboratory at NHH, prestige and respect associated with research setting might have made participants more susceptible to the demands for compliance that the experiment entailed (Brewer, 2000). Because participants were drawn from inside the university and were familiar with the university, it was highly unlikely that experiment setting affected their responses and behavior in any significant way.

Ecological validity refers to "the extent to which findings can be generalised from one group to another" (Saunders et al., 2009, p.591). While robustness concerns the issues of replicability of findings across different settings and people, ecological validity and relevance concern whether the effect or phenomena occurs in the world as is and whether the findings are useful and applicable to solving problems in real life (Brewer, 2000). Brunswik (1956) claims that findings derived from laboratory settings using atypical populations never have ecological validity. Thus, we have to acknowledge the limitation that we do not have mundane realism in our findings and we have a rather low level of psychological realism (Brewer, 2000). However, as stated by Mook (1983), conditions of testing do not have to resemble the real life and it is the understanding of the process itself, not the findings, that has external validity. Moreover, connection between findings and application in real life is not always immediate, but rather indirect and cumulative. Thus, we believe that we contributed with our research to the cumulative body of knowledge on the topic that needs further deeper investigation.

## 8.3  Other Limitations

Ensuring internal validity and especially eliminating selection bias and assigning subjects randomly to different groups led to another limitation to be mentioned. Since we did not measure subjects´ stated support of CSR domain and personal taste ambiguity prior to the test and assigned subjects randomly to different conditions, it turned out that subjects were not equally distributed among the six conditions, with a number of cell subjects ranging from 8 to 16, hence, leading to an under-coverage bias so often associated with convenience sampling. Thus, unequal distribution of subjects into different conditions might have

substantially influenced the results of this study. However, this was in part due to a relatively low sample size (75 subjects). Pallant (2011) recommends using 200+ subjects to ensure the normality of distribution. Since we were restricted in our financial resources to be used for rewarding participation, we could not afford having more than 75 participants. This has to be taken into account when performing a similar experiment. We believe that it will be sufficient using at least 200 participants for performing a similar experiment in order to ensure reliability and validity of research findings. Moreover, we think it is useful to pre-test subjects´ stated CSR support and taste ambiguity before the experiment in order to ensure an equal distribution of subjects into different cells.

## 8.4 Future research

Even though this study´s results contributed to the body of knowledge on a relatively new and not yet discovered topic, there is still a great deal of research that can be done in the area.

First of all, we selected to use a description of a fictitious company as an independent variable in order to control for existing attitudes and associations. This led to a rather low level of external validity. However, it could be interesting to take a real company and select various communication methods that companies use to let the consumers know about their corporate social responsibility efforts, including newspaper articles, TV/carton/website ads, sponsorship to mention a few. It could be interesting to test how other sources can influence consumer taste evaluations and which source has the strongest and most long-lasting impact.

Secondly, we only used one level of experience with only one cheese sample. However, results might differ if people are presented with, for example, three levels of experience: good, medium and bad taste (Braun, 1999) with different CSR information on each level. That will require a lot of participants, but could produce reliable and valid results. Moreover, it could be insightful to test other food products, such as chocolate, cereal, or juice to mention a few and investigate whether CSR information plays more significant role in taste evaluation of certain food items as compared to others.

Thirdly, Sears (1986) states that there is an overrepresentation of a certain type of subjects and settings used for research (specifically social psychology articles), where 74% of research articles were conducted using undergraduate students and 78% in laboratory settings in 1985, thus, resulting in a narrow base on which to draw conclusions (Brewer, 2000). Thus,

we suggest diversifying the sample to include non-student participants of different ages, social statuses, education levels and nationalities in order to increase the external validity of findings.

# 9. Conclusion

In this research, we investigated the role of CSR information in the fictitious company description as an extrinsic cue in consumer company and product evaluation with a focus on taste evaluation. Special attention was paid to the moderating effects of personal stated support of the CSR domain as such and personal taste perceptions. We put forward the following research question: *How does CSR information affect consumers' attitudes towards the company, attitudes towards buying products from that company and taste evaluations; and do consumers' stated personal support of the CSR domain and taste ambiguity play moderating roles in these relationships?*

In order to answer the abovementioned research question, we predicted five hypotheses. First, the type of CSR information in the company description was predicted to have an effect on consumer company evaluations (H1) and was supported. Secondly, we predicted that stated personal support of the CSR domain would moderate that relationship (H2). However, hypothesis 2 was rejected. Thirdly, it was predicted that the type of CSR information would have an indirect effect on consumer taste evaluations through company evaluation (H3), however, this was not supported. Fourthly, we predicted personal taste perception to moderate the relationship between CSR information and taste evaluation (H4), but since hypothesis 3 was not supported, hypothesis 4 was also rejected. Finally, we predicted that the type of CSR information would have an effect on consumer attitude towards buying products from the company (H5) and was supported.

This research has showed that consumer taste evaluations are not affected by prior exposure to CSR information, thus, confirming that CSR information does not act as an extrinsic cue in subjective taste evaluation process. This is a new discovery in this knowledge field and needs further investigation. These findings might have been attributed to this particular experimental design or simply an insufficient sample size. Moreover, the present research provides evidence that consumer attitudes towards the company and buying products from the company are subject to distortion and can be altered by prior exposure of consumers to some information, such as CSR, that can shape their attitudes. These findings are in line with findings of other researchers investigating the effect of extrinsic cues on company and product evaluation, proving that extrinsic information does alter and even change consumer attitudes. Such powerful extrinsic cues as country-of-origin, price, brand equity and advertising play a significant role in consumer judgments of products.

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# 11.  APPENDIX

**APPENDIX 1. Relevance tree**

How does CSR information affect consumers' attitudes towards the company, attitudes towards buying products from that company and taste evaluations; and do consumers' stated personal support of the CSR domain and taste ambiguity play moderating roles in these relationships?

**CSR**
- Types of CSR
- Reasons for engaging
- Consumer types
- CSR as extrinsic cue

**Taste**
- Sensation vs. Perception
- Ambiguity

**Extrinsic cues**
- Price
- COO
- Brand equity
- Advertising

**Unethical corporate behavior**
- Definition
- Consumer boycott

**Attitudes**
- Attitude-behavior gap
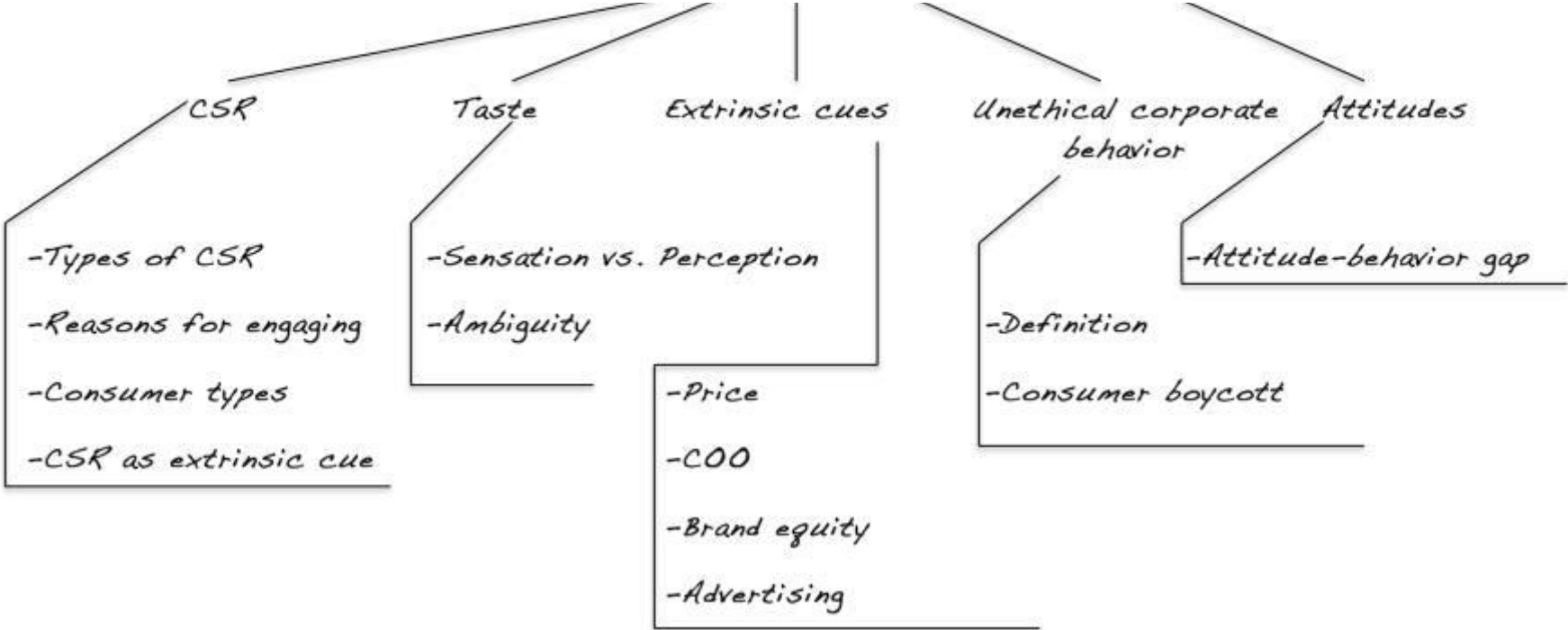
## APPENDIX 2. Pre-test

## Appendix 2.1 Cheese evaluation measurement scale

I dislike this cheese, it tastes bad                              I like this cheese, it tastes good

|           | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-----------|---|---|---|---|---|---|---|
| Cheese #1 |   |   |   |   |   |   |   |
| Cheese #2 |   |   |   |   |   |   |   |
| Cheese #3 |   |   |   |   |   |   |   |
| Cheese #4 |   |   |   |   |   |   |   |
| Cheese #5 |   |   |   |   |   |   |   |
| Cheese #6 |   |   |   |   |   |   |   |

1=low score; 7=high score

## Appendix 2.2 Positive CSR rating

**Community support**

Example: A company that is known for supporting arts by sponsoring talented artists / builiding schools in Malawi / supporting of researchers in the operating areas

**Diversity support**

Example: A company that is known for participating in projects that promote equal rights / widely known practices of hiring candidates disregarding their race, gender or physical features

**Employee support**

Example: A company that prioritises safety and job security, always reacts on employees concerns and prevents any kind of job-related accidents

**Environment initiatives**

Example: A company that is involved in the eco-friendly production / controlling the production process to not harm the environment

**Production initiatives**

Example: A company that controls its suppliers and ensures a high quality of products by thorough evaluation of all the components / intensively involved in R&D projects to always find better product solutions

## Appendix 2.3 Negative CSR rating

**Environment**

Example: disregard of eco-friendly manufacturing practices (poisoning of natural resources; company that is not involved in the environment-friendly waste disposal)

**Diversity**

Example: race or gender discrimination (scandal of not employing women on the top positions, always giving preferences to male candidates)

**Production**

Example: scandal of being involved in animal abuse practices, violence towards farm animals

**Product**

Example: false marketing claims (using advertising for praising a product without having a scientific actual base for it)

## Appendix 2.4 Company characteristics rating

Imagine that you need to buy a cheese. When you think of a company-producer, you have a set of characteristics presented in the table below. You have 7 points you can distribute among 3 alternatives on each of the characteristics. You can distribute 7 points as you prefer (7=most favorable, 0= least favorable). The only condition is that the sum of points shall not exceed 7 on each of the characteristics. You can also write your own answer in the column labelled as "Other" in case none of the alternatives meet your criteria.

| Other | Level of the characteristic | | | Characteristic | Importance of the characteristic |
|---|---|---|---|---|---|
| | Norway | Switzerland | France | **Country of origin** | 1 2 3 4 5 6 7 |
| | Small (below 50 employees) | Medium (below 250 employees) | Large (over 250) | **Size of the company** | 1 2 3 4 5 6 7 |
| | Newly established (less than 10 years) | Medium (10 - 40 years) | Long-established (more than 40 years) | **Maturity of the company** | 1 2 3 4 5 6 7 |
| | Public-owned (shareholders) | Family-owned | Government-owned | **Ownership type** | 1 2 3 4 5 6 7 |
| | Wide range | Medium | Narrow | **Product range** | 1 2 3 4 5 6 7 |
| | Low price | Market level | High price | **Price level** | 1 2 3 4 5 6 7 |
| | Occasional | DNA of the company | Not present | **Presence of CSR activities** | 1 2 3 4 5 6 7 |
| | Periodic (few months) | Short term (1 year) | Long term (more than 1 year) | **Duration of CSR activities** | 1 2 3 4 5 6 7 |
| | Conveniently located store | Farmer's market | Large grocery supermarket | **Distribution channel** | 1 2 3 4 5 6 7 |
| | Pioneer | Follower | Laggard | **Technological innovativeness** | 1 2 3 4 5 6 7 |

## APPENDIX 3. Experiment. Negative CSR condition

Dear participant,

Welcome to the experiment!

Thank you very much for participating and helping us with the primary data collection for our master thesis. This experiment will take you about 15 minutes to complete. However, you can use more time if needed. The answers are absolutely anonymous. Moreover, there are no right or wrong answers. We are interested in individual perceptions and attitudes. So, please be as honest as you can when answering the questions.

In front of you, you will find 3 envelopes marked as #1, #2 and #3 and a sample of spreadable cheese on a cracker.

Please, follow these steps:

1. Open envelope #1, read the information and complete the questionnaire
2. Try the cheese sample
3. Open envelope #2 and complete the questionnaire
4. Put all the questionnaires in envelope #3 and hand it in

After handing in the envelope, you will get a reward for participation.

Company "A" is a relatively new company on a Norwegian market of dairy products. It was established in 1975 as a small enterprise and then grew into a medium-sized company with 250 employees as of now.

The company´s financial performance has been improving annually and it celebrated a record-high profit in 2013. However, the majority of 2013 profits had to be spent on law suits and fines connected with the scandal of disregard of environmentally-friendly manufacturing. The company was secretly disposing some of the manufacturing waste into the river flowing nearby the factory, which caused damage to the environment. Even though the company has never violated any laws after that case, it has been extremely hard to regain the trust of stakeholders after the scandal. It takes years to build up trust, and only seconds to destroy it.

This company is constantly working on ensuring the best quality of the products. However, considering the limited resources, board of the company admits that they can not be as innovative in technological process as their competitors. The company follows its competitors when it comes to innovative solutions in packaging, manufacturing and retailing of its products. The product range is quite narrow, as they are specialized in cheese production.

Q1. My overall impression of the company is (please circle):

| Unfavorable | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Favorable |
|---|---|---|---|---|---|---|---|---|
| Bad | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Good |
| Negative | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Positive |

Q2. Buying products from this company would make me feel…

| Unpleased | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Pleased |
|---|---|---|---|---|---|---|---|---|
| Bad | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Good |
| Like a worse person | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Like a better person |

Q3. Buying products from this company would feel like…

| doing a morally right thing | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| a personal contribution to something better | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

1 – strongly disagree
7 – strongly agree


Please eat the cheese produced by the above-mentioned company now and proceed with the questionnaire from envelope 2

Q1. My overall impression of the cheese is (please circle)
1. I like this cheese extremely
2. I like this cheese very much
3. I like this cheese moderately
4. I like this cheese slightly
5. I neither like nor dislike this cheese
6. I dislike this cheese slightly
7. I dislike this cheese moderately
8. I dislike this cheese very much
9. I dislike this cheese extremely

Q2. My overall impression of the cheese is (please circle)
1. This cheese has an excellent taste
2. This cheese has a very good taste
3. This cheese has a good taste
4. This cheese has a slightly good taste
5. This cheese has a neutral taste
6. This cheese has a slightly bad taste
7. This cheese has a bad taste
8. This cheese has a very bad taste
9. This cheese has a horrible taste

Q3: How often do you buy spreadable cheese:

| | Never | | Rarely | | Sometimes | | Often |
|---|---|---|---|---|---|---|---|

Q4: At this moment I am feeling:

| good | 1 | 2 | 3 | 4 | 5 | 6 | 7 | bad |
|---|---|---|---|---|---|---|---|---|
| unpleasant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | pleasant |
| happy | 1 | 2 | 3 | 4 | 5 | 6 | 7 | sad |
| negative | 1 | 2 | 3 | 4 | 5 | 6 | 7 | positive |

Q5: In selecting from many types and brands of spreadable cheese available in the market, would you say that:

| I would not care at all as to which one I buy | 1 | 2 | 3 | 4 | 5 | 6 | 7 | I would care a great deal as to which one I buy |
|---|---|---|---|---|---|---|---|---|

Q6: Do you think that the various types and brands of spreadable cheese available in the market are all very alike or are all very different?

| They are alike. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | They are all different. |
|---|---|---|---|---|---|---|---|---|

Q7. Please rate the following statements (1=strongly disagree; 7=strongly agree)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| I feel myself being very taste- and flavor sensitive | | | | | | | |
| I would pay more to buy products from a technologically innovative company | | | | | | | |
| I consider reputation of a company when I shop | | | | | | | |
| If the price and quality of two products are the same, I would buy from the firm that has a socially responsible reputation | | | | | | | |
| When I make food, I usually modify recipes in terms of ingredients and their quantity (e.g. add more/less spices than is required) | | | | | | | |
| I avoid buying products from companies that have engaged in immoral action | | | | | | | |
| I consider the ethical reputation of businesses when I shop | | | | | | | |
| I would never buy a product from a company with a negative reputation | | | | | | | |
| Among my circle of friends, I am one of the "experts" in tasting food and defining tastes | | | | | | | |
| Product price is more important to me than product quality | | | | | | | |

Some demographic information about you:

Q8: How old are you? _____

Q9: Please indicate your gender:

☐ Male　　　　☐ Female

Q10: What is your nationality?_____

Q11: Please write a few words about what you think the purpose of the study was:

## APPENDIX 4. Experiment. No CSR condition

Dear participant,

<div align="center">Welcome to the experiment!</div>

Thank you very much for participating and helping us with the primary data collection for our master thesis. This experiment will take you about 15 minutes to complete. However, you can use more time if needed. The answers are absolutely anonymous. Moreover, there are no right or wrong answers. We are interested in individual perceptions and attitudes. So, please be as honest as you can when answering the questions.

In front of you, you will find 3 envelopes marked as #1, #2 and #3 and a sample of spreadable cheese on a cracker.

Please, follow these steps:

1. Open envelope #1, read the information and complete the questionnaire
2. Try the cheese sample
3. Open envelope #2 and complete the questionnaire
4. Put all the questionnaires in envelope #3 and hand it in

After handing in the envelope, you will get a reward for participation.

Company "A" is a relatively new company on a Norwegian market of dairy products. It was established in 1975 as a small enterprise and then grew into a medium-sized company with 250 employees as of now.

The company´s financial performance has been improving annually and it celebrated a record-high profit in 2013. This company is constantly working on ensuring the best quality of the products. However, considering the limited resources, board of the company admits that they can not be as innovative in technological process as their competitors. The company follows its competitors when it comes to innovative solutions in packaging, manufacturing and retailing of its products. Their product range is quite narrow, as they are specialized in cheese production

Q1. My overall impression of the company is (please circle):

| Unfavorable | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Favorable |
|---|---|---|---|---|---|---|---|---|
| Bad | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Good |
| Negative | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Positive |

Q2. Buying products from this company would make me feel…

| Unpleased | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Pleased |
|---|---|---|---|---|---|---|---|---|
| Bad | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Good |
| Like a worse person | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Like a better person |

Q3. Buying products from this company would feel like…

| doing a morally right thing | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| a personal contribution to something better | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

1 – strongly disagree
7 – strongly agree

Please eat the cheese produced by the above-mentioned company now and proceed with the questionnaire from envelope 2

Q1. My overall impression of the cheese is (please circle)
1. I like this cheese extremely
2. I like this cheese very much
3. I like this cheese moderately
4. I like this cheese slightly
5. I neither like nor dislike this cheese
6. I dislike this cheese slightly
7. I dislike this cheese moderately
8. I dislike this cheese very much
9. I dislike this cheese extremely

Q2. My overall impression of the cheese is (please circle)
1. This cheese has an excellent taste
2. This cheese has a very good taste
3. This cheese has a good taste
4. This cheese has a slightly good taste
5. This cheese has a neutral taste
6. This cheese has a slightly bad taste
7. This cheese has a bad taste
8. This cheese has a very bad taste
9. This cheese has a horrible taste

Q3: How often do you buy spreadable cheese:

| | Never | | Rarely | | Sometimes | | Often |

Q4: At this moment I am feeling:

| good | 1 | 2 | 3 | 4 | 5 | 6 | 7 | bad |
|---|---|---|---|---|---|---|---|---|
| unpleasant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | pleasant |
| happy | 1 | 2 | 3 | 4 | 5 | 6 | 7 | sad |
| negative | 1 | 2 | 3 | 4 | 5 | 6 | 7 | positive |

Q5: In selecting from many types and brands of spreadable cheese available in the market, would you say that:

| I would not care at all as to which one I buy | 1 | 2 | 3 | 4 | 5 | 6 | 7 | I would care a great deal as to which one I buy |
|---|---|---|---|---|---|---|---|---|

Q6: Do you think that the various types and brands of spreadable cheese available in the market are all very alike or are all very different?

| They are alike. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | They are all different. |
|---|---|---|---|---|---|---|---|---|

Q7. Please rate the following statements (1=strongly disagree; 7=strongly agree)

|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| I feel myself being very taste- and flavor sensitive |  |  |  |  |  |  |  |
| I would pay more to buy products from a technologically innovative company |  |  |  |  |  |  |  |
| I consider reputation of a company when I shop |  |  |  |  |  |  |  |
| If the price and quality of two products are the same, I would buy from the firm that has a socially responsible reputation |  |  |  |  |  |  |  |
| When I make food, I usually modify recipes in terms of ingredients and their quantity (e.g. add more/less spices than is required) |  |  |  |  |  |  |  |
| I avoid buying products from companies that have engaged in immoral action |  |  |  |  |  |  |  |
| I consider the ethical reputation of businesses when I shop |  |  |  |  |  |  |  |
| I would never buy a product from a company with a negative reputation |  |  |  |  |  |  |  |
| Among my circle of friends, I am one of the "experts" in tasting food and defining tastes |  |  |  |  |  |  |  |
| Product price is more important to me than product quality |  |  |  |  |  |  |  |

Some demographic information about you:

Q8: How old are you? _____

Q9: Please indicate your gender:

☐ Male       ☐ Female

Q10: What is your nationality?_____

Q11: Please write a few words about what you think the purpose of the study was:

## APPENDIX 5. Experiment. Positive CSR condition

Dear participant,

<div align="center">Welcome to the experiment!</div>

Thank you very much for participating and helping us with the primary data collection for our master thesis. This experiment will take you about 15 minutes to complete. However, you can use more time if needed. The answers are absolutely anonymous. Moreover, there are no right or wrong answers. We are interested in individual perceptions and attitudes. So, please be as honest as you can when answering the questions.

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After handing in the envelope, you will get a reward for participation.

Company "A" is a relatively new company on a Norwegian market of dairy products. It was established in 1975 as a small enterprise and then grew into a medium-sized company with 250 employees as of now.

The company's financial performance has been improving annually and it celebrated a record-high profit in 2013.

When the company was established, the founder has formulated the main principles which he personally believed in. Most of the revenue after covering the costs is transferred to a trust fund, which then provides financial support to the social projects. The company has won "the best corporate citizen" award in 2014 for its support of researchers, schools in developing countries and young talented artists.

This company is constantly working on ensuring the best quality of the products. However, considering the limited resources, board of the company admits that they can not be as innovative in technological process as their competitors. The company follows its competitors when it comes to innovative solutions in packaging, manufacturing and retailing of its products. The product range is quite narrow, as they are specialized in cheese production.

Q1. My overall impression of the company is (please circle):

| Unfavorable | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Favorable |
|---|---|---|---|---|---|---|---|---|
| Bad | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Good |
| Negative | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Positive |

Q2. Buying products from this company would make me feel…

| Unpleased | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Pleased |
|---|---|---|---|---|---|---|---|---|
| Bad | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Good |
| Like a worse person | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Like a better person |

Q3. Buying products from this company would feel like…

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| doing a morally right thing | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| a personal contribution to something better | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

1 – strongly disagree
7 – strongly agree

Please eat the cheese produced by the above-mentioned company now and proceed with the questionnaire from envelope 2

Q1. My overall impression of the cheese is (please circle)
1. I like this cheese extremely
2. I like this cheese very much
3. I like this cheese moderately
4. I like this cheese slightly
5. I neither like nor dislike this cheese
6. I dislike this cheese slightly
7. I dislike this cheese moderately
8. I dislike this cheese very much
9. I dislike this cheese extremely

Q2. My overall impression of the cheese is (please circle)
1. This cheese has an excellent taste
2. This cheese has a very good taste
3. This cheese has a good taste
4. This cheese has a slightly good taste
5. This cheese has a neutral taste
6. This cheese has a slightly bad taste
7. This cheese has a bad taste
8. This cheese has a very bad taste
9. This cheese has a horrible taste

Q3: How often do you buy spreadable cheese:

| | Never | | Rarely | | Sometimes | | Often |
|---|---|---|---|---|---|---|---|

Q4: At this moment I am feeling:

| good | 1 | 2 | 3 | 4 | 5 | 6 | 7 | bad |
|---|---|---|---|---|---|---|---|---|
| unpleasant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | pleasant |
| happy | 1 | 2 | 3 | 4 | 5 | 6 | 7 | sad |
| negative | 1 | 2 | 3 | 4 | 5 | 6 | 7 | positive |

Q5: In selecting from many types and brands of spreadable cheese available in the market, would you say that:

| I would not care at all as to which one I buy | 1 | 2 | 3 | 4 | 5 | 6 | 7 | I would care a great deal as to which one I buy |
|---|---|---|---|---|---|---|---|---|

Q6: Do you think that the various types and brands of spreadable cheese available in the market are all very alike or are all very different?

| They are alike. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | They are all different. |
|---|---|---|---|---|---|---|---|---|

Q7. Please rate the following statements (1=strongly disagree; 7=strongly agree)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| I feel myself being very taste- and flavor sensitive | | | | | | | |
| I would pay more to buy products from a technologically innovative company | | | | | | | |
| I consider reputation of a company when I shop | | | | | | | |
| If the price and quality of two products are the same, I would buy from the firm that has a socially responsible reputation | | | | | | | |
| When I make food, I usually modify recipes in terms of ingredients and their quantity (e.g. add more/less spices than is required) | | | | | | | |
| I avoid buying products from companies that have engaged in immoral action | | | | | | | |
| I consider the ethical reputation of businesses when I shop | | | | | | | |
| I would never buy a product from a company with a negative reputation | | | | | | | |
| Among my circle of friends, I am one of the "experts" in tasting food and defining tastes | | | | | | | |
| Product price is more important to me than product quality | | | | | | | |

Some demographic information about you:

Q8: How old are you? _____

Q9: Please indicate your gender:

☐ Male          ☐ Female

Q10: What is your nationality?_____

Q11: Please write a few words about what you think the purpose of the study was: