

Laidlaw Scholars Program Research Proposal

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Assessing the impact of environmental corporate social responsibility initiatives on consumer behavior in the Canadian fast-moving consumer goods industry

Introduction

Businesses play a substantial role in driving economic, social, and technological transformations in our interconnected world. Alongside such positive advancements, however, is a growing concern that the growth-oriented practices of businesses impose severe negative externalities that have, among others, contributed to environmental degradation in the forms of greenhouse gas emissions, deforestation, habitat destruction, water pollution, and more. As businesses continue to simultaneously prioritize the multifaceted interests of several stakeholders, the importance of serving the general public by counteracting their environmentally destructive practices has increased in precedence. This is driven partly by more stringent ethical standards set forth by companies, but more so by the behavior and preferences of consumers that are demanding such ethical and socially conscious business practices.

Environmental degradation has gained particular concern among consumers in recent years due to the increased prevalence of climate-change-induced catastrophes (wildfires, floods, etc.), loss of biodiversity, and intensified health problems caused by heavily polluted cities. As consumer purchasing decisions are a key driver of companies' strategies and practices, this research seeks to assess the impact of organizations' environmental corporate social responsibility initiatives on consumer behavior (consumer purchase preferences, cognitive brand attitude (perceptions), and loyalty). In the process, the project will investigate what aspects of environmental CSR initiatives were most appealing to the audience and the role that communication strategies (advertising, branding, packaging, etc.) play in shaping consumer perceptions.

The fast-moving consumer goods industry was chosen as these are goods that are frequently purchased and consumed, increasing the importance of sustainable and environmentally friendly business practices. Moreover, such convenience goods are often economically priced and purchased with limited consumer deliberation and comparison. Therefore, it would be of interest to investigate the significance of socially responsible practices in an industry with limited consumer involvement/purchase deliberation. This is an understudied research topic in current academic literature, allowing for the potential to contribute new knowledge and insights in the field.

The research question is of personal interest to me given my aspiration to leverage business as a means to evoke positive change in the world. Having developed a social enterprise entitled

[Rescued Glass](#) that leverages sustainability and upcycling, I am eager to investigate the impact that such environmentally conscious manufacturing processes may have on our customers' willingness to pay and attitudes. The foreseeable impact of the research lies in its ability to highlight the extent to which environmentally conscious business practices can increase an organization's customer base, brand equity, and customer loyalty. This would ideally reveal that achieving profits and positive environmental impacts can coexist, which may further motivate businesses to revise and amplify their CSR initiatives.

Research Question

This project essentially seeks to answer:

How do environmental corporate social responsibility initiatives impact consumer behavior in the Canadian fast-moving consumer goods industry?

Specifically, the aspects of consumer behavior/perceptions that will be analyzed include:

- The added-value or differentiated worth of products backed by CSR initiatives (willingness to pay)
- Significance of CSR as a factor that influences consumer purchasing decisions, brand attitudes/preferences and loyalty
- How cultural differences amongst consumers influence the extent to which they are impacted by environmentally responsible initiatives/products
- The role that communication strategies (advertising, branding, packaging, etc.) play in shaping consumer perceptions (What aspects of the CSR initiatives are particularly appealing to the audience? How do customers best become aware of such CSR initiatives)

Methodology

The research methodology involves market research surveys that will be sent to regular consumers of Canadian fast-moving consumer goods through representative online research panel sampling. All research can be conducted through online market research surveys and virtual interviews if COVID restrictions persist.

Stratified sampling will be used to gather a representative sample of consumers in different age ranges, genders, and cultural affiliations, which will reveal further insights about differences in perceptions by age, gender, and, most notably, culture. 3 different categories will be selected (beverages, shampoo, toothpaste, processed food, etc.) within the industry. Within the categories, different 4-6 products/brands will be selected that offer comparable functional benefits but differ in their prioritization of environmental CSR initiatives. Various questions will be asked to the representative sample of consumers to yield quantitative and qualitative information to understand consumer behavior, which may include:

- Asking consumers to describe the strengths and weaknesses of the different brands/products and calculating a brand attitude score through subtracting negative thoughts from positive thoughts. Comparisons will be made amongst products with and without CSR initiatives
- Questioning the factors that influenced their purchasing decision and the relative weight of each factor
- Questioning their likelihood to be loyal, change perceptions, and increase their willingness to pay due to environmental CSR initiatives

Statistical analysis will be conducted to draw conclusions and insights to aid with answering the research question. In-depth interviews with a ladder interview approach will also be used to further understand the aspects of CSR initiatives that are appealing to the audience, how they are appealing, and what are the fundamental factors guiding the consumers' purchase decision-making process. Secondary research - accessed through the University of Toronto's Library Search - may be used to conduct a literature review of existing and related academic literature. This will be incorporated to substantiate findings and further investigate how and why consumers are influenced by CSR initiatives and varying marketing communication elements.

Prior to or during the initial stages of summer 1, groundwork/training will be done to develop my ability to skillfully use research platforms, plan online research panel sampling, design surveys, and develop statistical analysis skills. All primary data collection, processed data and analysis is to be completed in summer 1. Travel will not be involved in this research project. The research sampling platform [Prolific](#) will likely be leveraged to gather data.

Research advisor

My research advisor, Professor Kristen Duke, will advise and guide the direction of my research. She will help in assessing the feasibility of the project and ensuring that my methodology will yield reliable and relevant data. Her extensive experience and expertise in consumer behavior, judgment, and decision-making will provide extremely beneficial insights that will help me achieve my research objectives. Independent training to develop my ability to use research platforms, design surveys, and perform statistical analysis will be undertaken.

The project - which involves collecting original data with people - will require ethics board approval. My research advisor, Professor Kristen Duke, has extensive experience with this process and currently holds 6 active REB protocols. I aim to submit my research ethics board approval as soon as possible during the month of April 2022 and have begun looking at the application procedures.

Outcomes

Overall, the key outcomes of the research are to:

- Analyze the role of environmental corporate social responsibility initiatives in shaping consumer behavior, brand awareness, loyalty, and willingness to pay in an industry that usually involves low purchasing deliberation
- Shed light on the importance (or lack thereof) of social responsibility for businesses to be sustainable and successful
- Investigate the fundamental factors that influence consumer purchasing decisions in the fast-moving consumer goods industry and the relative importance of CSR initiatives as a factor
- Highlight how cultural differences amongst consumers moderate the effects of the study
- Assess how consumers become aware of such CSR initiatives and how different communication strategies of the CSR initiatives can shape consumer behavior to varying extents

General Timeline

Week 1:

- Qualitative Interviews
- Pre-reading / Literature Review
- Learning (develop my ability to use research platforms, design surveys, and perform statistical analysis)

Week 2:

- Refining Research Topics and areas that I will test
- Design pilot surveys (questions, survey format, etc.)
- Conduct pilot surveys and begin analyzing results

Week 3:

- Continue analyzing results of pilot surveys, identifying trends, areas of interest, and conjectures
- Conduct additional secondary research if necessary/applicable
- Create hypotheses to test in the main survey

Week 4:

- Design main surveys that has fewer questions, is more directed/focused, and includes an assessment of the impact of cultural differences
- Use online research paneling platform to collect the data
- Conduct statistical/quantitative analysis on the data

Week 5:

- Continue conducting statistical/quantitative and qualitative analysis on the data to establish trends, conjectures, and answers to hypotheses
- Conduct additional secondary research as needed to substantiate findings

Week 6:

- Write-up conclusions, generalizations, findings, and implications.