

## **CSR and Gen Z: Expectations and consumption behaviors by cause**

Katherine B. Hartman  
Ohio University

Jacob L. Hiler  
Ohio University

Jessica Babin  
Ohio University

Adam Hepworth  
Ohio University

### **ABSTRACT**

Corporate social responsibility (CSR) has a strong influence on consumer attitudes, preferences, and intentions; this is especially true among Generation Z (Gen Z) consumers. Yet, intentions do not necessarily result in actual behavior. This research explores the differential effectiveness of CSR activities on consumer expectations and consumption behaviors by comparing those who do and do not actively support 11 distinct cause categories. Data were collected from Gen Z consumers through an online survey. The results suggest consumer expectations of companies' CSR behaviors, as well as their own consumption behaviors, vary by the cause consumers actively support. The results underscore the importance of congruity between CSR efforts and consumer interests when planning and communicating CSR efforts.

Keywords: corporate social responsibility; generation Z; consumption behaviors; online survey

## INTRODUCTION

Corporate social responsibility (CSR) has a strong influence on consumer attitudes, preferences, and intentions; this is especially true among Generation Z (Gen Z) consumers. Research suggests that 94% of Gen Z consumers believe that companies should help address urgent environmental and social issues (Cone Communications, 2017b). As compared to the general population, Gen Z consumers are also more likely to volunteer for a cause they care about (87% vs. 74%) and share social or environmental information with their social networks (77% vs. 60%) (Cone Communications, 2017b).

However, consumers' general CSR attitudes and support intentions do not invariably align with their subsequent purchase behaviors; this has been referred to as the CSR-consumer paradox (Janssen & Vanhamme, 2015). One explanation that may account for the discrepancy between consumers' purchase intentions and actual purchase behaviors is their concern for the CSR-related issue (Öberseder, Schlegelmilch, & Guber, 2011). In other words, congruity between the CSR cause and the consumer moderates the relationship between broad intentions and specific behaviors. Generally, research suggests that congruity plays an essential role in consumer responses to CSR activities (e.g., Baskentli et al., 2019; Chen, Tai, & Chen, 2015; Green & Peloza, 2011; Howie et al., 2015; Lichtenstein, Drumwright, & Braig, 2004; Sen & Bhattacharya, 2001)

Despite the prevalence of the CSR-consumer paradox throughout the greater body of CSR literature, little research has explored the differential influence of cause types. If consumers expect companies to play different roles depending on the type of social and environmental issue (e.g., hiring veterans vs. reducing pollution), then consumer expectations and behaviors may vary according to the causes that are important to consumers. For example, consumers who support disaster relief causes may have different expectations and behaviors than those who support animal welfare causes.

This research compares differences in consumers' CSR expectations and consumption behaviors with their concern for 11 distinct cause categories. We find that consumers' behaviors and their CSR expectations of companies differ when considering consumers' level of concern for specific cause categories. In doing so, we contribute to the CSR literature by highlighting the role of consumers' concern for CSR causes in understanding their cause-related behaviors and expectations of companies. Given the prevalence of pro-CSR attitudes and behaviors of Gen Z (Cone Communications, 2017b), this research explores these differences among Gen Z consumers.

## LITERATURE REVIEW

Corporate social responsibility (CSR) refers to the activities and efforts a company undertakes to improve societal, economic, and environmental well-being (Sen & Bhattacharya, 2001). Often termed the "triple-bottom-line," CSR balances a company's positive impact on people, planet, and profit. Kotler, Hessekiel, and Lee (2012) suggest that most social initiatives under the CSR umbrella fall into one of six distinct categories: cause promotion, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practices.

National surveys frequently suggest that CSR activities and products' social, environmental, or ethical attributes enhance consumer purchase intentions. For example, a 2017

survey found that 87% of U.S. consumers reported that they would purchase a product because that company advocated for an issue for which they cared, while 76% of Americans would refuse to purchase a product if a company supported an issue contrary to their beliefs (Cone Communications, 2017a). Yet, only 55% of Americans recalled purchasing a product with a social and/or environmental benefit, while only 52% remembered buying a product because that company stood up for an issue they cared about (Cone Communications, 2017a). The difference between consumers' stated intentions and actual behavior has been referred to as the CSR-consumer paradox (Janseen & Vanhamme, 2015). A variety of factors may explain this difference, including personal concern for the CSR-related issue, peer groups, consumers' financial situation, and skepticism toward CSR claims (Öberseder, Schlegelmilch, & Guber, 2011).

### **CSR and Congruity**

In the CSR context, congruity is the perceived match between the brands' values as revealed through CSR activities and the values consumers perceive to be important. Research suggests that congruity is an important consideration to understanding consumer responses to CSR. Research finds that CSR initiatives strengthen the overlap between one's identity and the consumers' perceived identity of the firm (Lichtenstein et al., 2004). In doing so, the identity overlap between the consumer and firm enhances consumers' evaluations of the firm, their emotional attachment, and their loyalty (Lichtenstein et al., 2004; Sen and Bhattacharya 2001). CSR activities have also been shown to increase consumers' identification with a brand and their intent to purchase a brand (Chen, Tai, & Chen, 2015).

However, CSR activities do not influence consumer behaviors uniformly across consumers. Sen and Bhattacharya (2001) found that consumers' support for the CSR cause moderates the relationship between CSR information and purchase intention. Likewise, Baskentli et al. (2019) found that pro-company behaviors increase when consumers' moral foundations (individual vs. binding) match the type of CSR activity (individual-oriented vs. group-oriented). Green and Peloza (2011) also suggests that consumer behavioral responses to CSR depends on the perceived emotional, social, or functional value it creates for the individual consumer. For cause-related marketing (CRM), Howie et al. (2015) found that the perceived importance that a consumer places on a cause affects their likelihood to participate in a CRM campaign. These findings underscore the argument that marketers should recognize that "CSR activities have multiple audiences and that these audiences should be taken into account in designing such programs" (Larson et al., 2008, p. 275).

### **CSR and Generation Z**

Generation Z (Gen Z) is typically defined as the generation of people born in the late 1990s through the early 2000s. Unlike prior generations, Gen Z grew up in a continuously connected technological environment. According to Pew Research (2019), "By the time they were in their teens, the primary means by which young Americans connected with the web was through mobile devices, Wi-Fi, and high-bandwidth cellular service. Social media, constant connectivity and on-demand entertainment and communication are innovations Millennials adapted to as they came of age. For those born after 1996, these are largely assumed" (Dimock,

2019). As such, Gen Z was socialized as consumers with more readily available information as compared to previous generations.

A 2017 survey of U.S. consumers found that 92% of Gen Z say they care about social and environmental issues (Cone Communications, 2017b). More than 9 out of 10 (92%) Gen Z consumers say they will switch brands to one associated with a good cause, and nearly 2 out of 3 (65%) say they pay attention to CSR efforts when making purchase decisions (Cone Communications, 2017b). CSR attitudes also translate into consumer behaviors. According to another survey (2019), 42% of Gen Z has started or deepened a relationship with a business that has products/services that positively impact the environment/society, while 38% stopped or lessened a relationship with a business that has a negative impact (Deloitte, 2019).

Mirroring national trends, a recent study of business majors found that 88% agreed that businesses have social responsibility above and beyond just making profits (Haski-Leventhal & Manfield, 2018). Likewise, 85% of respondents at least occasionally do the following: make an effort to avoid products or services that cause environmental damage, try to boycott products and services from companies that are known for bad behavior (corruption, pollution, child labor), avoid buying from companies that harm animals, and buy organic or fair trade products (Haski-Leventhal & Manfield, 2018). These statistics underscore the importance of CSR to Gen Z consumers.

## DATA

Data were collected from respondents using an anonymous online survey using convenience sampling. The survey included self-report measurement items and demographic items. On average, respondents completed the survey in less than five minutes ( $M= 294$  seconds;  $SD= 148$  seconds).

The initial sample included 388 respondents. Respondents were participants in a subject pool that included more than 1,000 respondents enrolled in one or more undergraduate marketing courses. Participants had the option to volunteer for one or more research studies available throughout the semester. Respondents earned course credit anonymously for participation.

After excluding respondents with excessive missing data, the final sample included 371 respondents. Almost all respondents were full-time students ( $n= 360, 97%$ ) and were between the age of 18-22 ( $n= 339, 92%$ ). Most respondents were upperclassmen ( $n= 262, 71%$ ). More than half of respondents identified as female ( $n= 228, 62%$ ). More than half of the students were employed either part-time ( $n= 195, 53%$ ) or full-time ( $n= 28, 8%$ ). Majors represented varied; the most common majors were business ( $n= 145, 39%$ ) and communication ( $n= 110, 30%$ ).

## Consumption Behaviors and Company Expectations

Consumption behaviors toward companies were measured using 3-items with a five-point interval scale (strongly disagree - strongly agree). Items measured respondents' negative purchase behaviors (I won't buy from a company that supports a cause I disagree with;  $M= 2.99$ ,  $SD= 1.16$ ), switching behaviors (I will switch to a company that supports a cause I believe in;  $M= 3.60$ ,  $SD= 0.98$ ), and research behaviors (I research brands to see if they are owned by ethical parent companies;  $M= 2.60$ ,  $SD= 1.16$ ). Expectations of companies were measured using 7-items with a dichotomous scale (yes-no). Items were presented randomly to each respondent. Table 1 (Appendix) provides descriptive statistics for each item.

## Cause Categories

Self-reported support of 11 types of causes was measured using a three-point ordinal scale. Levels of support options included no support (i.e., no support in the previous 12-months and no intention to support in the future), passive support (i.e., support without the donation of time or money during the previous 12-months), and active support (i.e., support with a donation of time or money in the previous 12-months). Table 2 (Appendix) provides descriptive statistics for levels of support for each cause category. Most respondents indicated active support of at least one cause category ( $n= 248, 70\%$ ). However, overlaps among categories were relatively modest ( $M= 41\%; SD= 9\%$ ). As such, each category was treated as distinct.

## ANALYSIS AND RESULTS

Data were analyzed to answer two research questions. First, do consumer expectations of companies' CSR activities vary by cause category that consumers actively support? To address the first question, categorical data were analyzed using cross-tabulations with chi-square tests of independence. Second, do consumption behaviors differ by cause category that consumers actively support? To address the second question, mean differences were analyzed using independent samples  $t$ -tests.

### Chi-square tests of independence

For each cause category, relationships between level of donation and cause were examined using 2x2 chi-square tests of independence where actual and expected distributions for support levels (non-supporters vs. active supporters) were compared to expectations of companies (yes or no). Assumptions about the magnitude of expected cell frequencies for valid use of chi-square tests of independence were met for each test. Significant relationships were assessed statistically using chi-square. Effect sizes were calculated using Cramér's  $V$ . Of the 77 cross-tabulations, 15 identified significant relationships between the level of support and expectations ( $p < .01$ ). For each significant relationship, active supporters were more likely to self-report expectations for companies' CSR-related efforts than non-supporters. Table 3 (Appendix) provides the results of the chi-square tests of independence.

### Independent sample $t$ -tests

For each cause category, mean comparisons between non-supporters and active supporters were conducted for the self-report items measuring respondents' negative purchase behaviors, switching behaviors, and research behaviors. Assumptions about equal variances were assessed using Levene's test for equality of variances. When violations were identified, a more restrictive  $t$ -test assuming unequal variances was used. Effect sizes were analyzed using Cohen's  $d$ . Of the 33 independent samples  $t$ -tests conducted, 16 mean differences were identified as significant ( $p < .01$ ). For each significant difference, the mean for active supporters was higher than the mean for non-supporters, indicating that active supporters were more likely than non-

supporters to not purchase, switch brands, or research a company's CSR activities. Table 4 (Appendix) provides the results of the independent samples *t*-tests.

## DISCUSSION

This research underscores the critical role that consumers' concern for CSR causes plays in understanding consumer expectations and behaviors. Consistent with previous CSR-consumer congruity research, the overall pattern of the results suggests that consumers' interest in a cause (measured by active support) moderates the relationship between broad CSR attitudes and specific expectations. Arguably, messages focused on a specific cause that target audiences care about may increase the strength of identification a consumer has with the brand corresponding to their behavioral intentions.

The results identified differences in expectations of companies' CSR behaviors and consumption behaviors based on the causes consumers actively do and not support. The results found no significant differences in expectations and consumption behaviors between non-supporters and active supporters of religious organizations, veteran organizations, and healthcare / medical research.

By comparison, active supporters for animal welfare and human / civil rights causes were more likely than non-supporters to expect companies to donate some proceeds to charity, prioritize people over profits, do good for the world, and support causes important to active supporters. Similarly, active supporters of community development, environmental issues, and human/civil rights causes were more likely than non-supporters to not buy from a company that supports a cause with which they disagree, to switch to a company that supports a cause they believed in, and to research brands to see if they are owned by ethical parent companies.

The results also found mixed results for active supporters of animal welfare issues, disaster relief efforts, and child welfare issues. Active supporters of animal welfare and disaster relief efforts were more likely than non-supporters not to buy as well as switch brands but similar to non-supporters in terms of brand research. Active supporters of child welfare issues were more likely than non-supporters to switch and research brands but similar to non-supporters in terms of not buying.

The results suggest that sharing CSR effort is not enough to incentivize purchase behavior. Instead, companies need to create messages that highlight congruities between CSR efforts and the causes that their customers care about. For Gen Z consumers, clear, succinct messages are even more important because their average attention span for marketing messages is less than eight seconds (Claveria, 2019). As the original mobile-first generation, Gen Z consumers want mobile-friendly content as well as the power to re-share messages (Cone Communications, 2017b); this may enable companies to amplify CSR efforts for an even more significant impact.

## LIMITATIONS AND FUTURE RESEARCH

As with any research, this research has its limitations. First, data were collected about behavioral intentions rather than actual behaviors. Future studies should assess the support of types of cause categories on purchase, retention, or loyalty behaviors. Second, data were collected about broad cause categories rather than specific organizations associated with causes. Future research should explore the influence of specific organizations by name, such as PETA

instead of animal welfare issues. Third, data were collected using a convenience sample from a single university rather than a national, random sample of Gen Z consumers. Future studies could examine the generalizability of the results to a broader population.

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## APPENDIX

Table 1: CSR Expectations

<i>I expect companies to...</i>	<i>YES (n)</i>	<i>YES (%)</i>
...have a moral / ethical viewpoint.	315	85%
...do good for the world.	260	70%
...be environmentally friendly.	256	69%
...prioritize people over profits.	240	65%
...improve the local community.	239	64%
...donate some proceeds to charity.	217	59%
...be transparent with their finances.	194	52%
...support causes I care about.	122	33%
...make products in the USA.	109	29%

Table 2: Cause category by the level of support

<i>Cause Category</i>	<b>No Support</b>		<b>Passive Support</b>		<b>Active Support</b>	
	<i>n</i>	<i>%</i>	<i>n</i>	<i>%</i>	<i>n</i>	<i>%</i>
Animal welfare	58	16%	217	58%	95	26%
Arts, culture, and humanities	99	27%	210	57%	62	17%
Child welfare	63	17%	247	67%	61	16%
Community development	52	14%	223	60%	93	25%
Disaster relief	53	14%	236	64%	82	22%
Education	47	13%	240	65%	83	22%
Environmental issues	48	13%	224	60%	96	26%
Healthcare / medical research	67	18%	218	59%	86	23%
Human / civil rights	52	14%	261	70%	57	15%
Religious organizations	116	31%	164	44%	89	24%
Veteran organizations	70	19%	221	60%	75	20%

Table 3: Chi-square tests of independence

Cause Category	Expected CSR activities	% of sample		n	$\chi^2$	V
		Non	Active			
Disaster relief	Donate proceeds to charity	16%	40%	135	7.75*	0.24
Education	Do good for the world	19%	49%	130	7.95*	0.25
Community dev.	Donate proceeds to charity	17%	45%	144	6.74*	0.22
	Prioritize people over profits	19%	48%	145	8.21*	0.24
Environmental issues	Be environmentally friendly	19%	54%	144	9.16*	0.25
	Donate proceeds to charity	15%	51%	144	13.01*	0.30
	Do good for the world	17%	54%	144	12.25*	0.29
Animal welfare	Donate proceeds to charity	15%	39%	153	8.02*	0.23
	Prioritize people over profits	18%	44%	153	9.58*	0.32
	Do good for the world	20%	48%	153	9.05*	0.24
	Support causes I care about	8%	26%	153	6.72*	0.21
Human / civil issues	Donate proceeds to charity	16%	36%	109	12.46*	0.34
	Prioritize people over profits	23%	43%	109	14.33*	0.36
	Do good for the world	27%	45%	109	12.18*	0.33
	Support causes I care about	14%	30%	109	8.09*	0.27

\* $p < .01$ Table 4: Independent sample *t*-tests

Cause Category	Behavior	Non		Active		<i>t</i> -test	<i>d</i>
		<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>		
Arts, culture, and humanities	Won't buy	2.69	1.18	3.32	1.13	3.38*	0.54
Animal welfare	Won't buy	2.60	1.20	3.39	1.21	3.92*	0.66
	Will switch	3.28	1.11	3.85	0.96	3.29*	0.55
Child welfare	Will switch	3.27	1.14	3.89	0.95	3.27*	0.59
	Research brands	2.11	0.97	2.70	1.35	2.81*	0.50
Disaster relief	Won't buy	2.62	1.13	3.27	1.16	3.20*	0.57
	Will switch	3.34	1.11	3.85	0.94	2.79*	0.50
Community development	Won't buy	2.54	1.16	3.12	1.18	2.86*	0.50
	Will switch	3.15	1.13	3.80	0.97	3.45*	0.62
	Research brands	2.15	1.04	2.73	1.21	2.90*	0.52
Environmental issues	Won't buy	2.38	1.10	3.29	1.11	4.67*	0.87
	Will switch	3.13	1.04	3.98	0.91	4.83*	0.82
	Research brands	2.08	1.05	2.84	1.23	3.68*	0.67
Human / civil rights	Won't buy	2.69	1.16	3.53	1.05	3.93*	0.76
	Will switch	3.31	1.11	4.04	0.98	3.61*	0.70
	Research brands	2.35	1.12	2.98	1.24	2.80*	0.53

\* $p < .01$