Accounting, Finance, Sustainability, Governance & Fraud: Theory and Application

Ipek Altinbasak-Farina
Sebnem Burnaz *Editors*

Ethics, Social Responsibility and Sustainability in Marketing

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Foreword

It takes twenty years to build a reputation and five minutes to lose it. If you think about that, you will do things differently.
—Warren Buffett

Societies have faced global scandals, disasters, crises, protests, and boycotts and currently are dealing with the problems related to **business** and **social ethical** issues such as privacy, discrimination, harassment, whistle-blowing, bribery, trade secrets, unfair competition, unethical marketing practices, green marketing, greenwashing, cyberethics, and **social responsibility**, **sustainability** issues such as unemployment, poverty, injustice, human rights, health care, malnutrition, mistreatment of vulnerable people, environmental issues, energy efficiency, education.

Concern for and experience to cope up with these problems have changed the **mind-set**, especially in the business world, and generated public awareness and interest. Ethics and sustainability issues, in the past, were not crucial and/or were even perceived as constraints. Now, they are integrated into the corporate strategy, providing challenges and opportunities leading to competitive advantage, enhancing corporate reputation, and balancing interests of "**people, planet, and profits, prosperity, passion/purpose**."

In 1971, the Committee for Economic Development described the responsibilities of corporations in three circles: "execution of the economic function," "awareness of social values and priorities," and "newly emerging responsibilities." Then with the Brundtland Report in 1987, conceptual framework of sustainability was set. The report had three dimensions: environmental protection, economic development, and social equity (fairness, social justice).

In different cultures and times, differences were observed in ethical sensibilities due to underlying historical values and social norms. For instance, during the Ottoman Empire, in the seventeenth century, the Ahi organizations (guilds) were performing marketing activities and had moral principles which were "primarily for the well-being of the society and protecting individual rights," also acting responsibly to their competitors. One axiom was "I made siftah (first sale of the day), my neighbor did not make siftah, take it from him." There was a mentor system, very strong and long-lasting master–apprentice relationships, as well. Trust was very important, as stated in the phrases "My word is my pledge/promise," "My word is my honor." We cannot expect such behavior today, because of increased competition, and changes in values and priorities; however, there is a longing for **trust** as a scarce resource today.

Now, consumers are more informed, more demanding, more skeptical of marketing activities, less tolerant, and they **don't trust** institutions. Marketers are especially interested in appealing to the young "create, share, and delete" C (change) generation which are "netizens," "born digital," have "life-on-the-move," impatient, "time starving," have "FOMO ('fear of missing out')," want "immediate gratification," and they are also social-minded. Their profile summarized with Cs is as follows: **c**onnected, **c**urious, **c**ourageous, **c**ollaborate, **c**o-create, communitize, and **c**onscious.

With rapid globalization, digital revolution, developments in technology in all sectors, limited non-renewable resources, unfair distribution of costs and benefits of economic activities, increase of interest in profits and materialism, and living in VUCA (**v**olatile, **u**ncertain, **c**omplex, **a**mbiguous) times (Strategy Company 2017), unfortunately, organizations have become more tolerant of unethical behavior.

On the other hand, consumers demand **trust,** honesty, authenticism, simplicity, speed, healthy products, fairness, transparency, accountability, and social and environmental responsibilities from the organizations. If the image of the company/brand is stained, consumers are shifting to other alternatives which create **social value**, support relevant **causes,** and have a **brand purpose**.

Large corporations have become powerful, and since they have the privilege of using many resources of the society for their advantage, they are expected to give certain things back voluntarily; contribute to the improvement of social environment; pay back for the "social costs of doing business" (T. M. Jones); and since they possess the resources and skills, which individuals do not have, they will be able to solve the problems more effectively and efficiently. As Keith Davis states, "Social responsibility arises from social power"; therefore, companies must have social responsibility practice through their legal, ethical, and social "words and actions"; address social needs; create "shared value" by using their core competencies, and through a business model, integrate it into all the hierarchy lines; thus, will have a competitive advantage and profit, and also benefit the society.

All these developments have changed the role of marketing which now requires more accountability than the past. Marketers should consider the short- and long-term impacts of their activities on consumers, communities, and environment. Marketing 4.0 is combining both traditional and digital marketing, keeping the core elements, but having a sustainability-oriented holistic marketing.

For an **enduring** organization and society, **sustainability,** as a component of ethical business practice, must balance economic, social, and environmental interactions and deal with specific issues such as "responsible investment," "sustainable production," "sustainable sourcing," "sustainable consumption," "environmental management," "risk management," and "sustainable business ethics." Some companies even have chief sustainability officers now. But these issues must be the joint responsibility and coordinated programs and activities of industry, governments, academicians, market researchers, non-governmental organizations, media, and other social enterprises (S. Cheung). “A bird cannot fly with one wing” (Ahi/guild saying). The main ingredient is “love of all living beings.” “We must believe that we all have some form of positive power—separately and together to influence the communities we have to build a sustainable future.” The future of marketing is “about doing things **with** and **for** people.”

The crucial issue is how to motivate ethical behavior, how to make people sensitive to these issues, to use their heart and conscience, to care, so that action will follow feeling. “Modern humans are not accustomed to considering future generations” (Warner, De Cosse). If **ethical sensitivity** is stimulated by effective communications, using multimedia, appealing to five senses of people, then the related stakeholders will respond for mutual gains, and we will “respect people as human beings’ (Kant 1785); have “social justice and equality” (Rawls (1971), and give importance to dignity, and virtue (Aristoteles (384–322 B.C.). “In business ethics we have to get away from “bottom line” thinking and conceive of business as an essential part of the good life, living well, getting along with others, having a sense of self-respect, and being part of something one can be proud of making the good life possible for everyone in society” (Solomon 1929).

Ethics, Social Responsibility, and Sustainability in Marketing book, dealing with the change in the marketing’s role, is both on **marketing ethics**, and **ethics of marketing**. If we apply Kotler and Keller’s (2016) dimensions of a good marketing text to this book: **depth—**it has solid academic ground, deals with theoretical and empirical research on ethics, social responsibility, and sustainability; **breadth**—it covers the “right” topics in these areas; **relevance**—with its diverse perspectives, it is relevant; it will stimulate and inspire students, researchers, academicians, educators, and managers in the private and public sectors, for sustainable value creation; and increase awareness and sensitivity to local and global economic, ecological, and social issues.

In addition, the editors and the writers, most of whom I know, have personal integrity, virtuous character, and sincere purpose to have **impact** on enhancing the role of marketing for well-being of the society.

> *...impacts are what we hope for but outcomes are what we work for ...*
> —Robert Penna

Istanbul, Turkey Prof. Dr. Eser Borak

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This book is the fruit of an active collaboration between the Faculty of Economics, Administrative and Social Sciences of Bahçeşehir University and Trakya University's Faculty of Economics and Administrative Sciences. Our joint efforts culminated in the "7th International Conference on Governance, Fraud, Ethics and Social Responsibility" in December 2016, in Istanbul.

The conference series were initiated by Prof. Dr. Kıymet Çalıyurt in 2009 as part of IGonGFESR in order to contribute to the development of knowledge and publication from different parts of the world. One of the aims of the initiative is also to publish books to share valuable knowledge across the globe. In the twenty-first century, the notions of ethics, social responsibility, and sustainability in marketing are becoming more and more discussed in the context of the success of enterprises. In that vein, the title of the conference as well as that of this book was set as "Ethics, Social Responsibility, and Sustainability in Marketing."

This book consists of 14 chapters, 7 of them out of the papers presented at the conference and 7 articles that were collected from a call. We would like to express our sincere gratitude to the authors who devoted their time and effort to the chapters of this book.

We, further, extend our sincere thanks to Prof. Dr. Kıymet Çalıyurt who initiated the project and made an enormous contribution. Without her, it would have been impossible to finalize this book.

We are honored that our esteemed colleague, Prof. Dr. Eser Borak, the doyen of marketing, contributed to our book with an insightful Foreword. While highlighting the importance and future of social responsibility, ethics, and sustainability in marketing with a comprehensive evaluation, she continues to inspire marketing academicians and professionals, as she has always done.

Finally, as editors, we are happy to have worked with each other for the realization of this book which is the outcome of our solid friendship and academic cooperation.

March 2019

Ipek Altinbasak-Farina
Sebnem Burnaz

INTERNATIONAL GROUP ON GOVERNANCE FRAUD ETHICS AND CSR

10th International Conference on Governance Fraud Ethics and Corporate Social Responsibility (April 24–25, 2019)
https://10thicongfesr.trakya.edu.tr/

1st International Sustainable Cooperative and Social Enterprise Conference (April 27–28, 2019)
https://iscsec.trakya.edu.tr/

Introduction

We are in an era of fast-developing technology which makes us change the way we run businesses, the way we consume, the relationships we create, and even the way we live. Nation-states are much more economically and socially interconnected as are individuals all around the globe.

Companies are eager and readier to produce more with improved production techniques, and customers are more willing to consume the things that they can afford. However, as technology develops and the factors of production move as fast as they do today, are we as human beings aware of our responsibilities toward the world? Toward the societies we live in? Toward the disadvantageous ones in our communes and toward ourselves? How can we create sustainable business models in order to increase total human welfare?

Those questions are being asked more frequently by individuals and companies. The attempt to answer them has made us much more concerned about corporate social responsibility and ethical responsibility of businesses. It is a fact that decision-makers are expected to contribute to the development of society in every possible way and refrain to take any action which can harm the economy, the environment, and society. Furthermore, all those moves should ascertain that the future of generations ahead is also protected.

The aim of this book is not debating the philosophical side of CSR, ethics, and sustainability. However, different cases and research presented in this book aim at highlighting the current level of awareness and the actions taken on the subject.

This book intends to cover issues related to ethics, social responsibility, and sustainability in marketing and aims to present cases and applications from different perspectives. Together with best practices, each case and research is expected to shed light on how to improve the role of marketing in helping the development and well-being of society.

Corporate Social Responsibility and Ethics

At the turn of the twenty-first century, the concept of societal marketing is becoming more important than ever. This concept entails that marketers fulfill the needs of their target group in ways that enhance the well-being of society as a whole. Social responsibility and corporate ethics are now considered to be one of the key elements of corporate strategy. Consumers of this era are more concerned about ethical issues and the effects of business activities on the environment and the society. The impact and importance of ethical consumerism are escalating. Consumers are more attentive and expect companies to promote their ethical credentials and their pro-social behavior in order to make them more accountable for their actions.

To succeed in today's competitive environment, companies should also realize that corporate social responsibility (CSR) is not an illustration of corporate altruism but a source of opportunity, and competitive advantage. The same philosophy should guide their decisions while choosing among the social responsibility alternatives. Finding and following social initiatives as part of their key business model is proved to be one of their competitive strengths.

This is a movement aimed at encouraging companies to be more aware of the impact of their businesses on the rest of society, including their own stakeholders and the environment. Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social, and environmental benefits for all stakeholders.

Bowen (1953) can be considered among the first authors to debate the social implications of the decisions taken by businesses and businessmen. He pointed out that the decisions taken by the managers do not only affect their companies but the quality of life of their employees, stockholders, and the people in the community they are operating in. Those decisions were expected to be in line with the ethical values of the society. Other definitions in the early 1950s recognized the need for the managers to take responsibility for the public good. "It has to consider whether the action is likely to promote the public good, to advance the basic beliefs of our society, to contribute to its stability, strength, and harmony" (Drucker 1954).

There has always been a desire to define corporate social responsibility and its categories. Lantos (2001) claimed that three kinds of CSR existed: ethical, altruistic, and strategic. Dahlsrud (2008) analyzed 37 definitions used by researchers on CSR and concluded that they are based on five areas of study: environmental, social, economic, stakeholder, and charity. Lei (2011) in his analysis of the evolution of CSR definitions stated that the points of focus were sustainability and social obligations like economic, legal, and ethical responsibilities.

The transformation of CSR from an irrelevant or doubtful idea to an inevitable component in achieving corporation objectives has been recognized by managers and stakeholders. McWilliams et al. (2006) pointed out that managers as well as academicians are more interested in understanding the long-term effect of CSR activities. Businesses may be considered to comply with their social responsibilities if they contribute to the welfare of society, besides meeting their economic goals. However, corporate social responsibility is suggested to be part of the management philosophy in order to lead the strategic decisions of the company and have a more positive impact in society as a whole (Altınbaşak-Farina and Biçer 2017).

Today, the phenomenon of corporate social responsibility and the scope of responsible consumption have broadened so that it includes a broader range of social issues. The concept does not only embrace economic problems but also covers social and environmental aspects. Sustainability is considered to be one of the keystones of the green marketing philosophy (Peattie and Charter 1994). According to Peattie (1995), marketers need to look for the impact of production and consumption in the quality of life and development of a sustainable society. For the success of green initiative besides the four traditional “Ps” of marketing, the four “Ss” should be taken into account by managers and decision-makers: customer satisfaction, product safety, social acceptability, and sustainability.

Shafiqur (2011) made a detailed analysis of the development of the CSR concepts in a different era. According to him, in the twenty-first century, the major dimensions of CSR can be summarized as obligation to society, stakeholders’ involvement, improving the quality of life, economic development, ethical business practices, law-abidingness, voluntariness, human rights, and environmental protection, transparency, and accountability.

Ethics, on the other hand, are the basic principles that guide an individual or an institution. Ethical marketing is a philosophy that is based on honesty, fairness, and responsibility. Though wrong and right is subjective, a general set of guidelines can be determined in order to ensure the company’s intent is always in the same and right direction according to universal norms accepted by society.

The American Marketing Association’s (AMA) code of ethics (2019) clearly puts forward that “marketers should recognize that they do not only serve their organizations but also act as stewards of society in creating, facilitating, and executing the transactions that are part of the greater economy. In this role, marketers are expected to embrace the highest professional ethical norms and the ethical values implied by their responsibility toward multiple stakeholders (e.g., customers, employees, investors, peers, channel members, regulators, and the host community).”

The AMA defines the ethical values that marketers are expected to sustain under six main topics:

- The first one is honesty which underlines the fact that a marketer should be frank, clear, and reliable in creating the relationships with the customers. It also covers the delivery of what is promised by the brand.
- Responsibility is the second and a very important dimension which holds the marketer accountable of all his/her marketing practices. Furthermore, it includes the will to become a steward of the environment.
- Another important ethical value is fairness: The marketers are expected to protect the customer information, avoid misleading messages and practices, and refrain from doing anything which can hurt customer trust.

- Respect is part of major ethical values. It basically indicates the principle of trying to treat every stakeholder in a respectful manner.
- Another ethical value is transparency. It requires the understanding of openness in every action related to marketing so that constructive measures can be taken.
- Citizenship is related to the accomplishment of economic, philanthropic, legal, and societal responsibilities regarding all stakeholders. Furthermore, it covers the sense of serving the community and contributing to the enhancement of the ecological environment (AMA 2019).

Sustainability

Companies' activities embracing corporate social responsibility and ethical issues become valuable if they are part of the broader promise of sustainability. Sustainability proves itself as a must rather than a temporary tendency for companies doing business in the twenty-first century. Companies today are increasingly expected to be more transparent about their social and environmental impacts and to publish sustainability reports as evidence of both their transparency and accountability. The majority of large companies listed in the Global Fortune 500 report their corporate social responsibility activities and offer sustainable products. They are aware of the expectations of changing consumers toward being more environmentally and socially conscious in their preferences and shopping habits. They are expected to not only avoid business practices that are detrimental to the economy, environment, and society, but also contribute to the well-being of the economy, environment, and society.

Although sustainability as a concept is addressed from different perspectives and defined by various authors (Connelly et al. 2011; Kumar et al. 2013), the most widely used sustainability definition is that of the United Nations in the Brundtland Report: "meeting the needs of the current generations without compromising the ability of future generations to meet their own needs" (WCED 1987, p. 24). The term "sustainability" has found utmost place at the agenda of academicians, businesspeople, and policymakers leading to the belief that economic growth must account for its environmental and societal impacts if it is to be sustained over time (Lodge 2001). In fact, sustainability has been considered as the triple bottom line of economic profitability, respect for the environment, and social responsibility (Boyd 2001; Johnson 2009). Similarly, Sheth et al. (2011) stated that sustainability translates into a "triple bottom line" of responsibility, with the implication that assessment of business results should be based not only on economic performance, but should take into account the environmental and social impact as well. The triple bottom line concept has been extended to different frameworks, such as the 3 Es (economic vitality, environmental quality, and equal opportunity), the 3 Ps (people, planet, and profit), and the more traditional triple bottom line view as environmental integrity, economic prosperity, and social justice (Hult 2011).

The interest in and attention to sustainability are shared by different parties at differing layers of the community. Governments at national and local levels have long ago recognized the sustainability challenge and issued environmental legislation, regulations, and various public policy measures; industries are collectively tackling issues; executives of major corporations engage in coalitions; individual companies are taking a stand within their industries; consumers believe they can make a difference and are changing their consumption practices accordingly; investors have begun to recognize the importance of sustainability for the financial bottom line; and environmental pressure groups have become more prepared in their campaigns (McDonagh and Prothero 2014). With such growing emphasis on sustainability, marketing can offer a unique position with its particularly close stance to consumers and its ability to expand its focus to managing relationships with stakeholders and aiming for economic, environmental, and social achievement.

As opposed to the criticisms taking sustainability and marketing as different (Ethical Corporation 2003) or indicating the scope of sustainability in marketing research as limited to only environmental issues (Chamorro et al. 2009; Gupta 2012; Obermiller et al. 2008) or considering marketing and sustainability as contradictory (Jones et al. 2008), there is growing evidence that these two concepts have something to offer each other. Focusing on the relationship between marketing and sustainability, the major contribution of marketing is attributable to its role in understanding and changing consumer behavior and in influencing attitudes and beliefs. Consumers can play a key role in the diffusion and development of sustainability through supporting and adopting sustainable practices as well as behaving themselves sustainable in their purchasing decisions. Based on global research reports (Nielsen 2011), consumers are increasingly motivated to be more environmentally conscious, are sharing passion for corporate social responsibility across genders and generations, are more demanding of companies, are making adjustments in their shopping habits based on their need of improving the world, and are looking for companies to be present as partners in their pursuit of good. They are powerful in influencing the change they want to see, and accordingly, sustainability has become a critical competitive advantage for companies to connect with consumers who are excited about change. Sustainability would be best provided through marketing because facilitation of sustainable production and consumption efforts are among the responsibilities of the marketing unit (Lim 2015). On the other hand, marketers are often in direct contact with all stakeholders, being at the forefront of identifying key roles of stakeholders in the business activities. Therefore, marketers can often focus on understanding and changing organizational behavior, through internal marketing, or consumer behavior, through marketing mix strategies (Andreasen 2002; George 1990; Yoo et al. 2000). Thus, the challenge is to understand the role of marketing in changing consumer behavior, such as influencing perceptions, attitudes, beliefs, actual behavior, and business perspectives, to move toward sustainability (Jones et al. 2008).

The world we live is becoming much more globalized and converged, while dynamism and uncertainty are shaping the marketing environment. Companies are obliged to use various criteria to deal with the threatening environmental forces and even to convert threats into opportunities. Based on the holistic approach to marketing, companies are now accountable not only for financial results, but also for nonfinancial measures in order to achieve a satisfactory performance level. Performance marketing component calls for considering ethical, social, and environmental effects of marketing activities and programs besides their economic returns. The key is to generate value not only for the identified market, but also for the whole society and finding ways to deliver this value in a sustainable manner. A new era of sustainability marketing is rising, and it is affecting all types of organizations in every part of the world.

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About the Editors

Ipek Altinbasak-Farina born in Istanbul, Ipek Altinbasak-Farina studied at Notre Dame De Sion and received her BA degree in business administration from Boğaziçi University in Istanbul, Turkey, and her MBA degree from West Georgia University in the USA. After her return to Turkey, she joined Unilever and started working as Senior Brand Manager between 1992 and 1996, where she created and carried out a nationwide PR campaign, namely Rama Cansuyu Project (recipient of the 1994 United Nations' Project Award). She continued her career at Komili Holding A.Ş. as the Marketing and New Product Development Manager in charge of domestic and international marketing of diverse businesses consisting of the preparation of the yearly marketing, PR and total communication strategies, and implementation of them. In the mean time she worked as Strategy Consultant focusing on the development of the corporate communication strategies for international and national companies. Since she got her Ph.D. degree in marketing from Boğaziçi University in 2004, she has been a member of the Faculty of Economics, Administrative and Social Sciences at Bahcesehir University. Between 2005 and 2007, she served as Director of the Graduate School, during which she established and directed over 20 graduate programs. She worked as a corporate strategy and communications consultant for several years in the telecommunications, investment banking, and leather industries. Furthermore, she has been giving training to the members of the Ministry of Culture and Tourism, to Turkish Leather association, to TUSIAD, and so on. She trained the undersecretaries working abroad for the Ministry of Culture and Tourism and provincial directors. She is an active jury member of Advertisers' Association, Turkish Direct Marketers Association, Turkish Packaging Association, and so on.

She was a member of the Evaluation Committee of the Ministry of Culture and Tourism on Turkey's promotion abroad. At Turkey Tourism Forum in 2017, she was a member of the Promotion and Marketing Committee. Additionally, she directed projects on the promotion and perception of Turkey at several NGOs and institutions. Currently, she serves as the Dean of the Faculty of Economics, Administrative and Social Sciences and the Strategic Marketing and Brand Management Graduate Program Coordinator. She teaches courses about marketing and strategy such as marketing strategy, strategic brand management, special topics in marketing, and global marketing. Among the topics that she conducts research are country image/place marketing, brand management, education marketing, and generation marketing. She speaks fluently English, French, Italian, and Turkish.

Sebnem Burnaz has expertise in teaching and research in the marketing field. She currently works as Professor at Istanbul Technical University. She received her Ph.D. degree in management—with major in marketing—from Boğaziçi University. She has been lecturing courses such as principles of marketing, marketing management, retail marketing, marketing research, global marketing, business-to-business marketing, consumer behavior, marketing communications, and marketing theory. Her research interests are in the fields of marketing, retailing, business ethics, consumer ethics, and decision-making. She has written several chapters and published articles which appeared in Advances in International Marketing, Journal of Business Ethics, Sex Roles: A Journal of Research, Qualitative Marketing Research: An International Journal, Journal of Product & Brand Management, and Journal of Multi-Criteria Decision Analysis. She has been involved in administrative duties as Director of the Graduate School of Arts and Social Sciences and Director of the Center for Entrepreneurship and Innovation at Istanbul Technical University.

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Part I
Ethics and Social Responsibility in Marketing

Chapter 1
The Politics of Purchasing: Ethical Consumerism in Turkey

Abdülkadir Öztürk, Sima Nart and Remzi Altunışık

Abstract Today's consumers make consumption decisions not only to meet their needs but also to influence the activities of firms. This study examines antecedents and consequences of ethics domain of behavioral intentions of consumers living in Turkey. In this framework, consumers' ethical and environmental values as well as political efficacy are defined as antecedents on the ethical domain of consumer behaviors. Also, the moderating roles of demographic characteristics are examined. As for the data collection, we have conducted a face-to-face survey on 661 participants through convenience sampling. Analysis of the research model developed for the study proceeds by using structural equation modeling. Theoretical and management implications associated with the abovementioned results are discussed.

Keywords Ethical consumerism · Environmental and ethic values · Political efficacy · Boycott · Buycott · Word-of-mouth communication

1.1 Introduction

The classical economics theory views consumers as maximizers of utility. This approach analyzing consumer behavior from an economic principles perspective suggests that consumers focus on the rational benefits of products, such as price and quality. In this context, consumers are expected to prioritize on the functional facilities they will utilize when making purchasing decisions. However, consumer acts

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observed in the marketplace show that the economic approach does not fully explain the motives that drive consumers' preferences. Consumers may boycott a brand or a company because of the negative news they have heard about, for example, because they employ child workers or cause environmental pollution.

The meaning that a product has for the consumer beyond meeting the needs may cause the consumer to perceive it differently than the other products. Consumers thus prefer products or services with meaningful image or personality for themselves. The ethical or environmental values that individuals have are consistent with the values provided by the business or products, making the product or business more meaningful for the consumer. Increased sensitivities of consumers about ethical issues force firms to develop ethically focused products and services and to offer the market. It is possible to see ethical product choices ranging from organic food and clothing, electric cars, fair trade products, and energy-saving bulbs to the market. According to the results of a research conducted by Mintel in 2015, 56% of US consumers stop buying from companies they believe as unethical. Furthermore, 35% of consumers stop buying from brands they perceive as unethical even if there are no alternatives (www.mintel.com). Consumers seem to pay more attention to ethical issues day by day.

Ethical consumers are people that make their purchasing decisions in light of political, ethical, or environmental ideas. Change in consumer behaviors also affects market practices of the firms. In many stores and coffee shops, we can see product tags as "eco-friendly," "fair trade," "good working conditions," "buy local," or "buy organic." These tags encourage consumers that "choose product for affecting the market with their own money" to implement their choices (Newman and Bartels 2011: 803).

This chapter considers the intentions of Turkish consumers to engage in ethical consumerism. In this context, the characteristics of ethical consumers and the antecedents of ethically focused purchase intention were analyzed. The data required for analysis were obtained through a cross-sectional study conducted in Turkey. As the 18th largest economy of the world and with its 80 million populations, Turkey is an attractive market for national and international companies. It has been observed that Turkish consumers who have increased consciousness in environmental and ethical issues have also changed their consumption patterns in recent years. It is expected that the investigation of ethical purchase intention of consumers living in Turkey, which is a bridge between Eastern and Western cultures, is expected to contribute to the literature.

1.2 Consumer Ethics and Motivations

Consumer ethics can be defined as ethical principles and standards that will guide consumers to behaviors such as purchasing, using, and consuming products and services (Muncy and Vitell 1992: 298). Consumers can be categorized into various categories in terms of ethical motivations. In the formation of consumer ethics, general moral principles and norms are taken into account in order to guide the consumer behavior and consequences of consumption actions. On the other hand, personal characteristics and values of the consumers have a determining role in the formation of the consumer ethics. Ethical consumption campaigns and policies often rely on "consequentialist" assumptions. Consequentialists consider both the satisfaction to be achieved after the consumption and the adverse outcomes of consumption such as environmental pollution. Consumers with this understanding tend to make buying decisions by evaluating the moral obligations. Moral obligations mean that consumer behaviors are influenced by the direction of moral practices. The scope of environment and humanistic approaches and the moral practices provide the distinction between wrong/right, good/bad, beneficial/harmful, and acceptable/unacceptable discrimination regarding the environment and consumption of the individuals. Ethical consumption and environmental ethics are constituted by consumer ethics.

According to ethical theories, individuals act according to the rules of moral philosophers when they are confronted with ethical decisions. Forsyth (1980) considers personal moral philosophy in two dimensions as relativism and idealism. Relativism reveals the degree to which the individual rejects the universal moral rules when making ethical judgments. Idealism, on the other hand, gives the degree to which desired results can be achieved in all cases. While relativism rejects universal moral principles, idealism accepts the whole of moral principles. Therefore, it is possible to distinguish consumers in terms of personal values as idealistic and relativist, emphasizing that idealist consumers exhibit rule-based behaviors while relativist consumers act according to the results. It is possible to say that both relativism and idealism are effective in the formation of consumer ethics. Consumers who act according to the outcomes both reach satisfaction due to consumption and consider environmental problems that may arise. On the other hand, consumers who display normative behaviors behave in the framework of the rules in the elimination of the problems that may occur before and after consumption.

In this chapter, "ethical consumer" term is used to describe those consumers who considered environmental issues, animal rights, consumer protection, fair trade issues, and moral issues, when shopping. Consumers in this group can use their buying power and preferences as a stimulus by purchasing more of the products of a business they want to support or, on the contrary, by penalizing through stopping purchasing. In this way, consumers perform as influencer or controller of the firms and even the market operations. Out of traditional buyer–seller relationships, today's market environment becomes such a place that individual consumers or consumer organizations express themselves through their purchasing decisions. In this respect, consumption is a meaningful form of civil participation (Kelley 1899: 6). Just as citizens vote for the political parties or leaders coinciding with their individual ideas and political view in an election process expectedly, in a similar manner, consumers purchase products or brands coinciding with their individual ideas and values, thus supporting their preferred business by purchasing as in the voting behavior. In this way with their purchasing decisions, they make changes on the market practices. In a sense, consumers use their preferences to make purchases in the market to decide which society they want to be part of (Brinkman 2004: 133). Consumers give "yes" vote by incentive purchasing of their supported products (buycott), on the contrary give "no" vote by stopping purchasing (when they boycott). Thus, from a global or cosmopolitan perspective, "fair trade consumers use their purchasing power to express ethical or political assessments of favorable and unfavorable business" (Lyon 2006).

1.3 Determinants of Ethical Behavioral Intentions of Consumers

1.3.1 Environmental Values

Environmental pollution, global warming, and damage to the ozone layer after the industrial revolution have become a threat to human life. John Muir and Henry David Thoreau have laid the foundations of environmentalism at the end of the nineteenth century. A Sand County Almanac, written by Aldo Leopold, initiated a thought and social movement to protect and improve the environment (Menon and Menon 1997: 55). The consciousness about conservation of the environment necessitated individuals to rethink the "good life ideal" (Zinkhan and Carlson 1995: 1). It is thought that one of the main reasons for the environmental problems that arise at a time when nature is going to make it difficult to renew itself is consumption habits. This would make consumers responsible if the negative activities of businesses such as rising waste, uncontrolled cutting of forests, and factory inspections continue to be supported by the consumer's preference for buying. In this context, consumers who care about the environment and natural life have begun to organize boycott campaigns of businesses using purchasing power to influence businesses that are not environmentally sensitive.

The rhetoric of ethical consumption also includes the deontological implications of moral obligation. First, they invoke much universalized arguments about the responsibilities of people for helping others—such as others, other living things, the environment, or future generations, as in the Precautionary Principle. For example, the writers who wrote about the ethics of global warming tend to argue over the following lines: (1) Current patterns of energy consumption warm the Earth with unknown, but possibly catastrophic, consequences for human life support systems; (2) Today's people have the task of passing future generations through fully functioning life support systems; and (3) Today's people have a duty to regain energy consumption at a significant level (Brown 2002).

1.3.2 Ethical Values

Ethics can be defined as a set of principles relating to the assessment of the consequences of wrong or right, good or bad behaviors. It is possible to come across every concept of ethics where the human element exists.

Virtue theories are less concerned with our duties to others; personal excellence and social development are the best ways to achieve them. While the consequentialists and deontologists try to justify their sacrifices against the obstacles of their own interests, virtue ethics are trying to awaken our enlightened self-interest to look after others. Virtue theories work to determine character traits or virtues, leading to the development of humanity (Foot 2001). The virtue theory is concerned with the habits and practices in which the virtues are learned. Virtue ethics are suitable for ethical consumption analysis because there is empirical evidence that "ethical consumers" are primarily motivated by personal integrity. Kozinets and Handelman (1998) refer to "boycott actions" that remind and link the individual to deeper spiritual essences.

1.3.3 Political Efficacy

Political efficacy is the belief that the individual has the ability to influence politics (internal activity) and the sensitivity of political system to the individual (external activity) (Peterson 1990: 20). Internal effectiveness refers to the belief of the individual about the impact that the individual has on the political process through his abilities and self-confidence, while external efficacy refers to the response of political institutions to the actions of citizens. (Sullivan and Riedel 2001: 4353). Internal effectiveness is linked to information or political interest in public affairs. External effectiveness is linked to trust in government institutions (Niemi et al. 1991: 1410).

It is expected that the belief in the political efficacy of the individual is strong that every cent or each activity (boycott or buycott) spent during shopping will make a difference on business practices. It can therefore be assumed that individuals with such ideas have a tendency to participate in political consumption.

1.4 Ethical Behavioral Intentions

1.4.1 Boycotts

Consumer boycott is defined as "an organized activity of consumer hegemony, which is a set not to purchase the product of the firm that causes problems for consumers on the market" (Smith 1990: 140). Consumer boycotts are discussed in two different approaches in the literature. The first approach classifies the boycotts directly, indirectly, and secondarily in terms of motivation to achieve the object. In direct boycotts, consumers show their reactions without buying any brand of a company or the entirety of their products. Indirect (surrogate) boycotts are the result of consumers deciding to boycott any organization for not approving their activities. Such boycotts often arise as a result of international problems or as a result of the negative evaluation of certain policies and practices of a foreign country by a particular consumer group. Secondary boycotts target the organizations that are in economic cooperation with criticized firm (Friedman 1999).

The second approach used in the identification of boycott typologies is to classify boycotts according to their functions. Accordingly, boycotts are considered in four categories. These are expressed as instrumental, expressive, punitive, and positive purchasing (buycott) (Friedman 1999; Smith 1998).

1.4.2 Buycotts

Ethical consumerism (also known as political, green, conscious, sustainable, or eco-consumerism) uses the market as a politic arena to achieve political goals through consumption. This includes not only boycotts but also new forms of buycotting: buying specific brands or types on others, such as eco-labeled, fair trade, or local products.

Buycott is an activity to purchase products in order to reward the activities of firms that are in line with ethical goals. While boycotts are often meant to punish firms for their unethical activities, buycott is to reward firms for their ethical activities. Buying or encouraging Body Shop products to reward the Body Shop is a good example of buycott campaign because it does not test skin care products on animals. Buycott campaigns are more likely to learn from friends, family members, or social groups than from the media about the products and businesses that are consistent with consumers' own values (Zukin et al. 2006: 80).

1.4.3 Word of Mouth

Arndt (1967: 291) suggests that word-of-mouth marketing is a form of face-to-face, noncommercial communication between a buyer and a seller about any product, brand, or service. Word-of-mouth marketing can be defined as the process of information sharing between individuals. Through word-of-mouth marketing, the person who initiates the message has an influence on the attitudes and behaviors of others. The reliability of the source of communication in the mouth is important, and the individual believes that the idea is more reliable if the person being contacted is trustworthy. If this person is familiar, the reliability is higher (Khraim 2011: 273).

Word-of-mouth communication is divided into two parts, positive or negative, according to the content of the information that each person transmits to each other. The likelihood of sharing a positive customer experience with a satisfied customer after the purchase process is less than the likelihood of sharing a negative experience with a dissatisfied customer. In addition, they dislike the negative experiences experienced because of the dissatisfaction with the customer operation that they are not satisfied (Sjödin 2007: 268). Consumers may want to share their experience with their surroundings when asked or when they are asked to do so. What is important for businesses is that the possibility of exaggerating the negative feeling experienced by the consumer is greater than the likelihood of describing the positive one.

1.5 Research Methodology and Findings

Two related research questions have given direction for this study. These are:

> Do the ethical business practices, environmental attitudes of the consumers, and individual political efficacy of consumers act as the determinant of the ethical behavioral intentions?
>
> Do demographic characteristics of consumers have an impact on consumers' ethical behavioral intentions, if so, and then in what direction it does have an impact?

Within the scope of research questions, we have developed the following research model following a thorough literature review on the research topic (Fig. 1.1).

As can be seen from the research model, there are three main hypotheses to be tested in the study. They can be phrased as follows:

H1: Consumers' ethical considerations for businesses' market practices have an effect on the ethical purchase intention.
H1a: Consumers' ethical considerations for businesses' market practices have an effect on boycott intention.
H1b: Consumers' ethical considerations for businesses' market practices have an effect on buycott intention.
H1c: Consumers' ethical considerations for businesses' market practices have an effect on WOM intention.
H2: Consumers' environmental considerations for businesses' market practices have an effect on the ethical purchase intention.
H2a: Consumers' environmental considerations for businesses' market practices have an effect on boycott intention.
H2b: Consumers' environmental considerations for businesses' market practices have an effect on buycott intention.

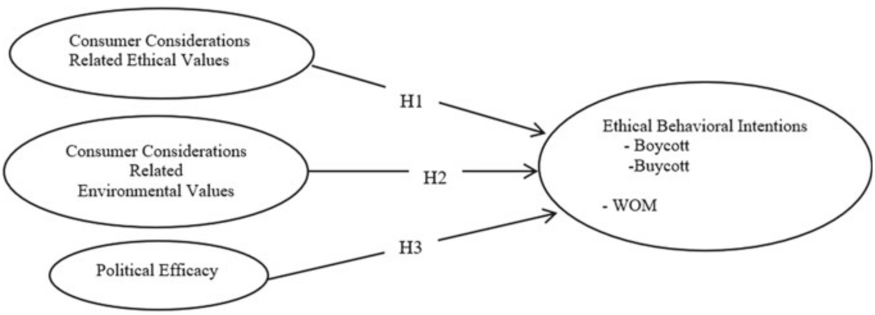

Fig. 1.1 Research model

H2c: Consumers' environmental considerations for businesses' market practices have an effect on WOM intention.
H3: Perception of consumers' political efficacy has an effect on the ethical purchase intention.
H3a: Perception of consumers' political efficacy of the consumers has an effect on boycott intention.
H3b: Perception of consumers' political efficacy of the consumers has an effect on buycott intention.
H3c: Perception of consumers' political efficacy of the consumers has an effect on WOM intention.

In order to gather data to test the hypotheses, we have conducted a survey on 661 participants in Turkey during September–October 2016 through convenience sampling method. The survey was conducted on a face-to-face conversation. The data collection instrument, the questionnaire, is made up of five sections: ethical values, environmental values, political efficacy, ethical behavioral intentions, and personal information about participants. Measurement scales for all constructs taken part in the model were taken from the literature. All of the original scales were subjected to translation–back-translation process various pilot-tests were conducted before using for the survey. As for the measurement scales, we have borrowed the scales developed by Ismail and Panni (2008: 53) and Auger et al. (2007: 324) to assess ethical values; scales developed by Dietz et al. (2007: 195) to measure environmental values and scales developed by Pinkleton et al. (2002: 19) to assess political effectiveness. In the assessment of the degree of consumer's ethical-oriented behavioral intentions, we have used the scale by Adugu (2008: 218). In addition, in assessing consumers' ethically focused WOM behavior, Arnett et al. (2003: 103)'s scale was used. All the scales used in the study were a five-point Likert-type scale ranging from 1 = strongly disagree to 5 = strongly agree.

In the analysis of data, a three-stage analysis process was followed. In the first stage, we have conducted an exploratory factor analysis in order to examine the dimensional structure of the relevant constructs (both independent and dependent). Also, in this stage, various reliability checks were carried out. Following that, we have examined the structural appropriateness of the constructs used in the model through a confirmatory factor analysis (CFA). Then, we have tested the proposed research model via structural equation modeling (SEM), and the findings of the analysis are presented and discussed in the sections.

1.6 Findings

General descriptive statistics of the sample are summarized in Table 1.1. A review of the table indicates that there were slightly more male respondents (51.6%) than female. All age-groups were represented in our sample, and about 70% of the respondents (463 persons) were between the ages of 18 and 31. We have respondents with

Table 1.1 Demographic characteristics of participants

		f	%
Gender	Man	341	51.6
	Women	320	48.4
Age	18–24	266	40.2
	25–31	197	29.8
	32–38	114	17.2
	39–45	51	7.7
	46–52	23	3.5
	53 and more	10	1.5
Education	Primary education	12	1.8
	High school	115	17.4
	College	56	8.5
	Bachelor degree	363	54.9
	Graduate	115	17.4
Income	1500 TL and below	171	25.9
	1501–3000 TL	182	27.5
	3001–4500 TL	151	22.8
	4501–6000 TL	76	11.5
	6001–7500 TL	27	4.1
	7501 and over	54	8.2

various educational backgrounds in our sample. More than half of the sample had a bachelor degree in education. In regard to the income level, our sample seems to be represented by various income groups. Nearly half of participants have an income level of below 3.000 TL.

Exploratory Factor Analysis of Dependent Variables

Exploratory factor analysis (EFA) was applied to the data obtained to determine buycott, boycott, and word-of-mouth scales among the dependent variables in the model. Exploratory factor analysis was conducted to determine the dimensions underlying the 11 ethical consumption items. Principal component analysis, with varimax rotation and latent root criterion (eigenvalues > 1), was used in the factor analysis. Table 1.2 displays the factors, factor loadings, eigenvalues, the percentage of variance explained by the factors, and the corresponding. As a result of analyses, three factor dimensions were obtained.

For each scale, the factor loadings and the explained variances were tabulated according to the results of the EFA. The KMO value obtained is 0.85. Since the KMO value is greater than 0.70, the data set seems appropriate for the analysis. It is seen that the total variance explained is 78.89%.

Table 1.2 Dimensions of dependent variables

	Factor loadings			Explained variance (%)
	Factor 1	Factor 2	Factor 3	
Buycott				
I specifically buy products from businesses that fulfill their responsibilities toward the environment	0.848			28.66
I buy more of the businesses that fulfill their responsibilities toward the environment	0.832			
I buy more of the businesses that fulfill their responsibilities toward the business ethic	0.821			
I specifically buy products from businesses that fulfill their responsibilities toward the business ethic	0.833			
Boycott				
I boycott the products of businesses that do not behave in accordance with business ethics		0.772		27.10
I feel bad if I buy products from businesses that do not behave in accordance with business ethics		0.779		
I boycott the products of businesses that do not behave in accordance with environment		0.851		
I feel bad if I buy products from businesses that do not behave in accordance with environment		0.842		
Word of mouth				
I "talk up" companies practices such as environmental and business ethics in a negative way to people I know			0.925	24.13
I share my opinion with my friends about companies' positive or negative practices in environmental and business ethics			0.938	
I bring up companies' practices such as environmental and business ethics in a positive way in conversations I have with friends and acquaintances			0.941	

Explained total variance: 78.89%, KMO: 0.85

Exploratory Factor Analysis of Independent Variables (Ethical Values, Environmental Values, and Political Efficacy)

In the model, exploratory factor analysis (EFA) was applied to the data obtained to determine the environmental values, ethical values, and political efficacy scales among the independent variables. Explanatory factor analysis was performed on 14 questions to determine the dimensions of the independent variables included in the research model. Principal component analysis, with varimax rotation and latent root criterion (eigenvalues > 1), was used in the factor analysis. As suggested by Hair et al. (2006), factor loadings should be greater than 0.50. Table 1.3 displays the factors, factor loadings, eigenvalues, the percentage of variance explained by the factors, and the corresponding. As a result of analyses, three factor dimensions were obtained. The results are presented in Table 1.3.

When the EFA values for the independent variables were examined, it was decided that the data set was suitable for analysis because the Kaiser-Meyer-Olkin (KMO) test result was 0.87 > 0.70. It is seen that the total variance explained is 71.95%.

In the second stage, confirmatory factor analysis (CFA) is conducted in order to test the emerging factors of explanatory factor analysis and the validity of the statements is revealed (Altunışık et al. 2012: 266). Confirmatory factor analysis was decided after the results obtained.

Confirmatory Factor Analysis and Structural Model

In the structural equation model, latent variables, also called implicit variables, cannot be observed directly. Therefore, the investigator should define the latent variable by the behavioral terms that are supposed to represent it. Thus, it is possible to measure the unobserved variable that is connected to the observable variable (Byrne 2009: 4).

The fit indices of the research model are given in Table 1.4. It is seen that the structural model that has been found is well adapted.

The calculated average variance (AVE) and composite reliability (CR) values of each structure were calculated after the research model adaptation good values. When all these results are evaluated together, a structural model path analysis can be done after CFA. The values are given in Table 1.5.

The combined reliability value for ethical values was obtained as 0.698. Since it is close to the critical value of 0.70, the result can be accepted. Average variance extracted (AVE) value for environmental values was obtained as 0.447. Survey questions of study which belong to Dietz et al. (2007: 195) have been translated into Turkish. This value can be accepted because of the differences that may arise during translation.

Structural Equation Model

Before evaluating the structural model used in the study as a whole, problematic expressions were drawn with EFA and CFA applied to variables. Then, the reliability of the scales was tested and verified. After that, the relationships between the variables in the model are tested.

Table 1.3 Dimensions of independent variables

	Factor loadings			Explained variance (%)
	Factor 1	Factor 2	Factor 3	
Ethical values				
Fictitious pricing of products	0.853			41.44
Proper information of package or label	0.878			
Safe working conditions for employees	0.814			
Fair working hours and wages	0.851			
The use of child labor	0.768			
Expire date on label or package	0.799			
Avoiding using exaggerated claims and pictures	0.772			
Fair price on label or package	0.591			
Political efficacy				
My purchase makes a difference		0.865		17.05
I have a real say in what the business does		0.876		
Purchasing an effective way to influence what business does		0.826		
Environmental values				
If things continue on their present course, we will soon experience a major ecological catastrophe			0.814	13.46
Humans are severely abusing the environment			0.689	
The Earth is like a spaceship with very limited room and resources			0.756	

Explained total variance: 71.95%, KMO: 0.87

Table 1.4 Fit indices of the research model

Measure	Results	Acceptable compliance
χ^2/df	2.75	$2 < \chi^2/df \leq 5$
GFI	0.927	$0.80 \leq$ GFI ≤ 1
AGFI	0.903	$0 \leq$ RMSEA ≤ 0.08
CFI	0.962	$0.90 \leq$ CFI ≤ 1
TLI	0.955	$0.90 \leq$ TLI ≤ 1
RMSEA	0.051	$0.80 <$ AGFI ≤ 1

Table 1.5 Structured model AVE and CR values

Variables	Cronbach's alpha	Composite reliability (CR)	Average variance extracted (AVE)
Ethical values		0.698	0.539
Political efficacy	0.864	0.864	0.679
WOM	0.927	0.928	0.811
Boycott	0.887	0.849	0.653
Buycott	0.908	0.891	0.733
Environmental values	0.622	0.706	0.447

CR > 0.70 and AVE > 0.50

Table 1.6 Standardized direct effects

			Standardized direct effects (β)	*p*
Boycott	←	Political efficacy	0.391	0.000
Buycott	←	Political efficacy	0.318	0.000
WOM	←	Political efficacy	0.351	0.000
Boycott	←	Environmental values	0.130	0.002
Buycott	←	Environmental values	0.162	0.000
WOM	←	Environmental values	0.163	0.000
Boycott	←	Ethical values	0.673	0.000
Buycott	←	Ethical values	0.619	0.000
WOM	←	Ethical values	0.751	0.000

$p < 0.05$

The direct effect between the independent variables and the dependent variables is given in Table 1.6. It is seen that ethical values, environmental values, and political effectiveness are influential both on boycott tendency and buycott tendency.

According to the results obtained from Table 1.6, it can be evaluated that all hypotheses are accepted.

1.7 Conclusion

Today's consumers use their economic power as a political instrument, such as the votes they use to influence or support politicians or governments in the same political elections on the market. Consumers seem to use one of the ways in which businesses, products, brands, and countries are rewarded or penalized for their practice. In other words, the vote metaphor used in political elections is included in the literature as a boycott or buycott in business or product preferences on the market. This has created a significant influence on the business practices, such as the control mechanism.

Consumers with sensitive, ethical, and environmental values struggle to enhance all this production process by using "purchasing preference" power in their hands as an audit tool under circumstances such as difference between the rich and the poor, negative situations workers and peasants exposed in poor countries, child employment or excessive use of natural resources. With behaviors such as participating non-governmental organization activities in order to support "Fair and Ethic Trade" implementations or boycotting, manners of this type consumers become concrete. Participants in the questionnaire survey seem to be important in terms of ethical perception, consumer perceptions of environmental values, and political efficacy considerations in the procurement process. It is seen that these values are effective on buycott, boycott, and WOM which are included in the concept of ethical consumerism. It has been observed that consumers 'perceptions of ethics, environmental sensitivity and political efficacy affect consumers' purchasing intentions. In other words, consumers act in a particular manner to support the businesses or brands in a manner similar to voting behavior. In this context, it is emphasized that, according to the results of this study, market practitioners should pay attention to the ethical issues that consumers attach importance to in the procurement process while carrying out commercial applications.

Business managers need to position the image of the business or the perception of businesses at the consumer. It is seen in studies that consumers do not avoid punishing businesses that do not meet their criteria. Businesses need to analyze their counterparts in the society in a good way in order not to be confronted with great losses in the economic sense.

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Chapter 2
Competitive Deviance from Ethicality: A Focus on Online Settings

Gözde Nur Şahin-Kazazoğlu, Ayşe Bengi Özçelik and Şebnem Burnaz

Abstract As spreading the information becomes easier with online technologies, consumers are able to both share their experiences and collect other users' experiences. This may lead to affect the purchase decision of others who are exposed to online reviews. Hence, behaving deviant, the companies can use the power of online reviews for the benefit of themselves by manipulating the review content. In order to attract customers, companies can write positive reviews for their own business or negative reviews for those of competitors. However, consumers are getting aware of these devious moves day by day and they evaluate the believability of the online reviews in a more suspicious manner. This chapter proposes a conceptual model on the outcomes of perceived believability and perceived deviancy in online reviews, in terms of perceived ethicality of the company. The outcomes of the study are expected to provide a novel approach to the online competition strategy through consideration of the long-term value co-destruction for organizations in the competitive marketplace.

Keywords Deviant behavior · Ethics · Competitive deviance · Online review · Perceived ethically

2.1 Introduction

Deviance is basically defined as "anything that varies too widely from the average" (Becker 1963, p. 4). This definition is a widely used one; however, the "average"

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varies by situation, by environment, or by purpose. In the management literature, average refers the norms of reference groups and deviant behavior occurs when these norms are violated. To illustrate, a theft by an employee, jangling in an office, or manipulating the financial numbers can be considered as deviant behaviors in an organization. On the other hand, an organization may be deviant all by itself with its strategic moves in the market. In that case, the organization-level deviance comes to the stage and the results will be more critical than that of an individual-level deviance. These results can mostly be considered in the frame of ethics because of the manipulative characteristic of deviance. Although deviance can be used for constructive effects, namely as positive deviance; disruptive effects for the organization are inevitable after a negative deviance. Although both the positive and negative aspects are included in the frame of organizational deviance; this study mainly focuses on the negative side. Negative organizational deviance is also called as white-collar crime or corporate crime in the deviance literature (Humphrey 1986). The former one is carried out by middle- and upper-level employees either for the individual's direct personal gain or for the interest of the company, and the latter one benefits the investors or the individuals who are in high positions in the company or corporation (Geis et al. 1995; Simon and Hagan 1999). Both have unethical implications in the marketplace offering a valuable research area especially based on their impact on intense competition environments.

In competitive markets, organizations may be disposed to manipulate the perception of the customer through deviant behavior. Technological developments enable companies to do this effortlessly and cheaply by online channels which allow not only customers to share and collect information about the brands, but also companies to create content for those customers. Therefore, online deviancy can be described as the manipulative behavior of companies in order to affect consumers' perceived value about the company. Since value is co-created in that interactive environment, in which it is produced and consumed simultaneously (Eccheveri and Skalen 2011), the effects of online deviance on customers' value perception about company become crucial. Hence, online deviant behavior is a rising topic in practice and in the academic literature. In this sense, this chapter clarifies the classification of deviant behavior in organizations and defines a novel type of "competitive deviance" as a strategic maneuver used consciously to manipulate consumers' perception in online reviews and maintain competitive advantage by creating deception in the marketplace. Disruptive ethical effects of that new deviant type are discussed, and a conceptual model is proposed as the outcome of this study.

2.2 Deviance and Deviant Behavior

Societies have norms, rules, standards, customs, and regulations framed by the cultural values and traditions. While wearing dark clothes in a funeral is a must in some cultures, it may be a shame in some other cultures. On the contrary, there are some significant standards which are globally accepted in all cultures like keeping calm in a theater. Even if it is local or global, what if a person does not obey the rules, create his or her own norms, and behave in respect to these norms in a society? These lead to the concept of deviance and become source of deviant behavior.

Range of deviant behaviors starts from breaking school or home rules to overeating and overdrinking or to crime and suicide (Palmer and Humphrey 2008). As a more specialized frame, deviance is mainly used for anomalous kind of behaviors of people, organizations, or governments. Drawing upon the lexical meaning of the word "deviance," the irregularity of one's behaviors in the frame of societal norms is called deviant behavior. According to Palmer and Humphrey (2008), "deviance implies nonconformity, doing things differently from the everyday routines." In a generally accepted definition, deviance is stated as the act that infracts the general regulations, and accordingly, a deviant is a worthless person who is isolated from the society per that infraction (Clinard and Meier 2011; Goode 2015; Becker 1963; Sagarin 1975). However, a strict and general definition of deviance is hardly possible because of its contingency upon the norms and conditions. A person is deviant when he or she behaves out of norms of a specific social setting (Cohen 1966; Merton 1966; Hochstein et al. 2017), and a behavior is deviant when it is regarded as unacceptable by a social group (Tittle and Paternoster 2000; Hochstein et al. 2017). The main question is "deviance compared to what?" in order to attribute the deviance to a behavior (Warren 2003).

The level of "normality" or "deviance" of the attributes may change situationally, since the norms and standards vary according to the acceptance of the relevant people groups (Clinard and Meier 2011; Heckert and Heckert 2002). For instance, killing someone is one of the most commonly accepted deviance, except in war. This situation leads a need in defining the importance of norms for people. Since deviant is defined as the outsider for the society (Becker 1963), a behavior can be defined as deviant when it is different from norms and standards such as laws, rules and regulations and customs. (Moschis and Cox 1989).

From the societal reaction approach, deviance actually appears only when other people react, take action, and label a given person as deviant (Palmer and Humphrey 2008). Labeling theory (Becker 1963) is relevant to clarify the effect of judgment on shaping what the "norm" is. In this point of view, giving no reaction to a person who does not wait in the queue for the bus and directly gets on may weaken the deviance of the behavior. However, attributes which vary from the average can be deviant even without a negative reaction (Higgins 2008) since everyone knows that it is an unacceptable behavior. In an example of making fun of a person's overweight, the deviants are twofold: the laughing people and the person's weight (Higgins 2008). Hence, the main determinant of the deviance is how it is labeled (Amyx and Jarell 2016; Becker 1963), for this case, by laughing.

Thus far, deviance is mainly considered as a negative situation with negative outcomes such as humiliating or even killing someone. However, violation of norms may also ensure beneficial results. If any violation of norms causes gain instead of loss, deviance is considered as positive since the aim is to have useful outcomes. According to the typology adopted from Heckert and Heckert (2002) in Hochstein et al.'s (2010) study, positive deviance occurs when normative expectations reach overconformity and social reactions and collective evaluations are positive. Positive deviance is defined as a pro-social behavior that deviates from norms in order to gain positive reactions (Leo and Russell-Benett 2012; Hochstein et al. 2010; Dozier and Miceli 1985). Turning back to the example of war, jeoparding someone's life for self-defense is a violation of norm but it is undoubtedly accepted as a positive manner by others (Hochstein et al. 2010; Best and Luckenbill 1982). Hence, positive deviance can be accepted as behaving in an honorable way out of the norms of a reference group intentionally (Mazutis 2008; Spreitzer and Sonenshein 2004, p. 832). In organizations, positive deviance can be seen in the form of whistle-blowing, for instance, since it may provide useful information for building a strategy. Also, innovation is a positive deviance activity all by itself since it creates a new value for the company. On the contrary, underconformity or nonconformity and negative reactions are part of negative deviance.

In the management and marketing literature, consumer deviance is mainly studied as a common behavior in the marketplace. It is studied under the themes of "jaycustomers" (Lovelock 1994); "aberrant consumer behavior" (Fullerton and Punj 1993); "dysfunctional customer behavior" (Harris and Reynolds 2003); "deviant consumer behavior" (Moschis and Cox 1989); or "problem customers" (Bitner et al. 1994). In general, consumer deviance can also be a consistent complaint, an effort for detecting a defect, or an attempt for negative word of mouth which can be spread over the Internet. Since Web 3.0 allows people to enter their thoughts on the Internet and reach millions of people to share (Logsdon and Patterson 2010), consumer deviance in online settings became a rising topic for both academics and practitioners. However, what if companies are inspired by that kind of information dissemination? Can a company behave as a consumer and share preferred or needed information about its own or even about its competitor?

When deviance is augmented to company level from individual level, labeling of the deviance in an organization is studied as counterproductive behavior, antisocial behavior, organizational misbehavior, or dysfunctional behavior (Giacalone and Greenberg 1997; Griffen and Lopez 2005; Kidwell and Martin 2005; Mazutis 2008). In addition, behaving deviant in an organization is analyzed in three different frames such as employee deviance, workplace deviance, and organizational deviance. These types are used interchangeably in the literature as seen in Appendix. In this chapter, a new incremental approach is brought to these types of deviance regarding their sphere of influence. Employee deviance, workplace deviance, and organizational deviance (Fig. 2.1) are examined, respectively, in the following sections.

2.3 Employee Deviance

Employee deviance is defined as "voluntary behavior that violates significant organizational norms and in so doing threatens the well-being of an organization, its members, or both" (Vaughan 1999). It is a purposive action made by an employee as an individual to harm the organization financially or physically in short or long term.

Fig. 2.1 Deviance types

The main aim is to violate the norms that lead organizational and humanistic respect in a firm (Benett and Robinson 2000; Aquino et al. 1999; Robinson and Benett 1995).

Underperforming, vandalism, theft, wasting sources, absenteeism, and withholding are some of the depictions of employee deviance (Sims 2002; Robinson and Benett 1995; Goodman and Atkins 1984). Considering these various definitions, employee deviance is classified by Robinson and Benett (1995) in four different categories: production deviance (e.g., working slowly), property deviance (e.g., theft), political deviance (e.g., gossiping about peers), and personal aggression (e.g., verbal harassment). Production deviance and property deviance are mainly the efforts to vandalize the organizational harmony individually. Counterproductive behavior, the most commonly used synonym of employee deviance (Lyons et al. 2016; Berry et al. 2007), may be an umbrella classification for production and property deviances. As the word of "counterproductive" addresses, the main aim of the employee deviance is to reduce the productivity of the work with "on-duty" behaviors by underperforming on the daily assignments on purpose.

The literature shows that deviance may have some pioneers such as depression and low sales performance (Amyx and Jarrell 2016), attachment and continuance of commitment (Sims 2002), perceived justice (Aquino et al. 1999), general mental ability and prior deviance (Lyons et al. 2016), injustice of supervisors (Zoghbi-Manrique-de-Lara and Suarez-Acosta 2014), abusive supervisors (Avey et al. 2015), self-image congruence and impression management (Hochstein et al. 2017), and some personal characteristics which prevent the employee from deviance such as agreeableness, conscientiousness, and extraversion (Witt and Andrews 2006). The common ground of these mentioned pioneers is that they are all something about the employee's individual problems, perspectives, or relationships. However, the individuals are continuously in touch with the environment they work in. Thus, workplace deviance appears as another layer to be examined.

2.4 Workplace Deviance

To reach a more macrostage of deviance, workplace deviance is defined as "low-intensity deviant behavior with ambiguous intent to harm the target, in violation of workplace norms for mutual respect" (Andersson and Pearson 1999, p. 457). This type has a wider sphere of influence as it reaches to all of the people at work. For instance, yelling at someone or humiliating can be counted as workplace deviance.

"Interpersonal deviance" is the closest definition to workplace deviance. In Robinson and Benett's (1995) classification, political deviance and personal aggression include some marks from "interpersonal deviance." It is defined as an act aiming to harm co-workers by, for instance, verbal assault (Aquino et al. 1999). It has a wider influence area since it is based on communication between employees, so it affects more than one person in the workplace. To illustrate, a verbal assault can be heard by other co-workers and it will create a negative working area. In this sense, workplace deviance differentiates from employee deviance with its wider effects.

Workplace deviance has some predictors of socio-moral climate (Verdorfer et al. 2015), internalized moral identity incorporated by ethical leadership (Skubinn and Herzog 2016), job insecurity (Huang et al. 2016), and procedural injustice mediated by intrinsic motivation and moderated by dispositional aggression (Michel and Hargis 2016). These are still the behaviors of individuals, but the effects are wider than that of employee deviance. Although employee deviance and workplace deviance are considered in the same frame in some studies, they can be classified as two distinct types with regard to their impact extent.

2.5 Organizational Deviance

Organizational deviance is described as "an event, activity, or circumstance, occurring in and/or produced by a formal organization, that deviates from both formal organizational design goals and normative standards or expectations, either in the fact of its occurrence or in its consequences, and that produces an unanticipated outcome" (Vaughan 1999). The critical detail in the definition is that the deviance is "produced by a formal organization." Unlike employee and workplace deviances, organizational deviance consists of the behavior of the firm. However, there are different approaches to the definition. Some scholars describe it as the behavior of employee against the firm such as sabotage and theft (Vardi and Wiener 1996; Acquino et al. 1999; Robinsonn and Benett 1995; Avey et al. 2015). Acquino et al. (1999) and Benett and Robinson (2000) count interpersonal deviance as an organizational one.

Hence, it is observed that deviance types are frequently used interchangeably with each other in the literature. However, our point of view considers each distinctly and organizational deviance essentially means the organizational misbehavior.

Organizational deviance may occur because of coincidence, synchronicity, or chance (Vaughan 1999). However, several predictors are found in the literature. According to Mazutis (2008), the antecedents are resource scarcity and industry dynamism. Bogard et al. (2015) and Earle et al. (2010) indicate that deviance is normalized when the frequency of deviant behavior is increased among teams and the teams have new norms after the frequent repetition of the misleading behavior. Additionally, perceived ethical climate is found to be effective on organizational deviant behavior, mediated by employee job satisfaction (Hsieh and Wang 2016). Both CEO characteristics (Li and Ng 2013) and group moral identity (Thornton and Rupp 2016) are reported as predictors of organizational deviance. The common theme in these antecedents can be stated as the "inevitableness." The starting point of the deviance process in organizations is the environmental factors which entail the organization to misbehave. Considering the environment including factors such as the market and the competitors, these factors can be examined in parallel with several theories such as social exchange theory and institutional theory.

Social exchange theory (Emerson 1976) is based on reciprocity principles. According to the theory, behaviors are social exchanges in which one side gains the benefit or the other side bears the cost (Homans 1961). In this sense, the theory mainly deals with the interpersonal relationships in a frame of fairness. According to the theory, individuals decide to join the relationship after assessing the benefits and costs of that relationship. However, the benefits may not be positive; then, negative reciprocity occurs. An employee, for instance, responds his supervisor positively in a fair environment. On the opposite, if an employee feels like the supervisor abuses him, he may behave deviantly in order to respond the abusion. In parallel with this perspective, Biron (2010) finds a negative association between perceived organizational ethical values and organizational deviance. Especially the supervisor's behavior is found to affect this relationship, parallel with the results of Avey et al. (2015). Additionally, Huang et al. (2016) show that job insecurity indirectly affects deviance with the mediation of moral disengagement. On the other hand, frontline service employees are found to help only the deserved customers, in parallel with the social exchange theory (Leo and Russell-Benett 2012). In this case, the customers who conduct a good social relationship with the employee have the advantage (Tokman et al. 2007; Leo and Russell-Benett 2012). When it comes to organization-level relationships, social exchange may be considered between the competitive firms, or between the firm and the market. It can be said that if the reciprocity between these actors is positive, and if the benefits are high, the strategic steps of an organization will be conventional. However, if there is a negative reciprocity, the organization may be possessed with a deviant behavior in the competition in order to keep the benefits high. Since the theory points out fairness or unfairness as the determinant of the treatment (Thornton and Rupp 2016; Cropanzano and Mitchell 2005), the firms tend to behave deviantly in order to respond any possible unfair competitive move by competitors.

Institutional theory, additionally, may also provide bases to describe why organizations behave deviant. Since the theory has a central concept of a legitimacy-seeking and since the concept of legitimacy includes norms, organization-level deviance is related to a firm's seeking for justification for its behaviors (Mazutis 2008). The organizational decision of behaving deviant is affected by several external pressures such as strategic moves of others in competition (Oliver 1991). Hence, deviant organizational behavior may be relying on searching for legitimacy in the competitive environment. The interpersonal effect of social exchange theory and the decision of organizational deviant behavior may convert into interfirm relationships or the relationship with the market in a competitive environment.

2.6 Competitive Deviance as a Form of Organizational Deviance

In marketing literature, good ethics leading to sustainable marketing and long-term welfare for both consumers and the businesses is interiorized as a tool for value co-creation in the market. Unfortunately, defining the good ethics or the boundaries of the ethical behavior in marketing seems problematic since there exist different perspectives on how the ethics should be applied to the business practices. The first perspective argues that the legal system defines the code of ethics in the sector and in the market. This principle also puts responsibility in the hands of the individuals and the managers where each firm or manager constitutes a code of conduct for social responsibility and ethical behavior (Kotler and Armstrong 2016). This code of conduct constituted by the manager or the firm becomes the corporate culture of the firm. On the other hand, the second perspective argues that it is solely the legal system defining ethics and social responsibility where companies and the managers are not responsible for making moral judgments. This principle lets companies do whatever the market and legal systems allow in good conscience (Kotler and Armstrong 2016). The difference between these two perspectives leads us to the problem of defining the ethical behavior. While some ethical issues tend to be largely universal (i.e., honesty), other issues (i.e., fairness or equity of treatment, appropriateness of a behavior) may be confounded by cultural factors within a society (Smith and Hume 2005).

The effects of cultural factors on individual and organizational behavior have been a subject of deep research. According to the strategic management literature, national culture defined as system of shared assumptions, values and beliefs influences the way of perceiving, thinking, feeling and evaluating the environment and responding to the changes in the environment (Schneider 1989). Culture's importance in labeling the behavior as deviant is also emphasized in the literature due to the relativity of the perceived deviancy arising from the cultural customs, values, behavioral and expectational norms that are specific to that culture. Culture also impacts how managers interpret and respond to strategic issues (Schneider and Meyer 1991), individual work value of managers (Ralston et al. 1997), competitive strategy formulation (Schneider 1989; Schneider and Meyer 1991), management practices (Newman and Nollen 1996), and organizational culture (Buchanan and Huczynski 2004; Jung et al. 2008). Business strategy research has long acknowledged the importance of national cultural characteristics as determinants of management behavior (Ross 1989; Cheng 1989; Rosenzweig and Singh 1991). Thus, understanding the relationship between the culture, strategy, and the ethics is also crucial to internalize the reasons behind the deviant behavior of the organizations in competition.

Defined as to conduct the business in a unique manner by using different methods from the competitors, or to choose unique business areas from the competitors, strategy and its formulation play a crucial role in decision-making processes and implementation activities (Lyles and Mitroff, 1980; Porter 1996). In another definition of strategy, it is indicated as a path to survive better and to have higher benefits than competitors (Phills 2005). As it is obvious in these two definitions, strategy is not considered as a distinct concept from competition. It can be concluded that if the companies and managers are left with room for maneuver in the definition of ethical behavior in the market, this could lead up to different perspectives on the ethicality and the ethical behavior understanding in the market regarding the culture's effect on the organization and the people. Hence, the steps taken in the way to achieve the company goals to realize company strategy could include tactics which can be labeled as deviant.

Competitive deviance in this study is defined as any deviant behavior conducted consciously by the organization and the members of the organization to maintain competitive advantage by creating deception in the marketplace. It is also important to notify that competitive deviance as a strategy requires a shift from the primary deviancy to the secondary deviancy or career strategy (Palmer and Humphrey 2008). In primary deviancy, the behavior designated as socially unacceptable and the individual or the organization presents internalized reasons for his/her unacceptable deviant behavior, but in the latter one, the deviant behavior is being exhibited for a longer term and becomes a pattern ending up with a system constantly producing routine nonconformity.

2.7 Antecedents of Competitive Deviance

Regarding the literature on culture, organizational management, and strategy, this study suggests that competitive deviance in the organizations can consist of four main antecedents which are national culture (Husted and Allen 2008; Triandis 1995; Cullen et al. 2004; Steensma et al. 2000; Husted 2000), organizational characteristics (structure, processes, tasks) which define the organizational culture (Hofstede, 1980; O'Reilly et al. 1991), the top management and its interpersonal relations with the employees (Bass 1985; Schein 1992; Bass and Avolio 1993), and market conditions (Pfeffer and Salancik 1978).

The effects of cultural dimensions of Hofstede (1980) on the individuals' perceptions of ethical behavior have been discussed in the literature heavily. According to the literature, in the cultures with low power distance, high individualism, high masculinity, and low uncertainty avoidance, individuals are more prone to negative deviancy and unethical decision making due to their focus on the goal rather than the means (Husted and Allen 2008; Triandis 1995; Cullen et al. 2004; Steensma et al. 2000; Husted 2000). In addition to the nation's cultural dimensions, organizational culture has also a fundamental effect on the performance and strategy of the organization; thus, several methods and models have been developed to classify and understand the organizational culture (Hofstede, 1980; O'Reilly et al. 1991). Hofstede's "Multi Focus Model" which is further developed by Bob Waisfisz examines the way in which members of an organization relate to each other, their work, and the outside world in comparison with other organizations and defines eight dimensions to group the organizational culture (Hofstede et al. 1990). Those eight dimensions are as follows:

- Means-oriented versus goal-oriented
- Internally driven versus externally driven
- Easy-going work discipline versus strict work discipline
- Local versus professional
- Open system versus closed system
- Employee-oriented versus work-oriented
- Degree of acceptance of leadership style
- Degree of identification with organization.

Out of these eight dimensions, two of them which are being means-oriented or goal-oriented and being internally driven or externally driven are highly related with the intention of the organizational deviant behavior. In a means-oriented organizational culture, the key feature is the way in which work should be carried out; people identify the work with the "how." In a goal-oriented culture, on the other hand, employees are primarily out to achieve specific internal goals or results, even if these involve substantial risks; people identify with the "what." Thus, in a goal-oriented culture, more negative deviant behavior can be observed since the members of the organization focus more on the result than the way the result is achieved. In a very internally driven culture, employees perceive their task toward the outside world as totally given, based on the idea that business ethics and honesty matter most and that they know best what is good for the customer and the world at large. On the other hand, in a very externally driven culture, the only emphasis is on meeting the customer's requirements; results are most important and a pragmatic rather than an ethical attitude prevails. As it is explained in the definitions, in externally driven and goal-oriented organizations, the company culture can be more tolerant and open to the deviant behavior since reaching the goal is their priority as Machiavelli said in 1550, "the ends justify the means."

Along with organizational culture, another internal determinant of organizational deviancy comes from the role of top management, leaders, and particularly the CEO. It is a well-known fact that top management and leaders constitute, enhance, and amend the organizational culture (Bass 1985; Schein 1992; Bass and Avolio 1993). Leaders who engage in unethical practices often create an atmosphere of allowance within the organization that is conductive to negative deviant employee behavior that parallels that of the leader (Trevino and Brown 2005). Employees will observe the ethical judgment of their CEO or managing director and are often likely to imitate, even if such imitation constitutes acting unethically, leading to negative deviant behavior (Litzky et al. 2016).

The fourth determinant of the organizational deviancy is the competitive environment. According to the resource dependence perspective, all companies are striving about the resource scarcity and market uncertainty especially in the markets of high competition and unforeseen conditions (Pfeffer and Salancik 1978). This determinant is also highly related with how the top management interprets the market information and establishes the strategy of the organization. This interpretation and constitution of the strategy depend on the skills and experience of its members (Walls and Hoffman 2013). As a result, together with competitive environment, the top management's response to the competition affects the organizational deviancy.

The fundamental reason why companies use competitive deviant strategy is to persuade the consumers. This competitive deviant strategy creates a marketplace deception defined as "the set of acts that seek to increase the chances that a set of targets will behave in a desired fashion when they would be less likely to behave in that fashion if they knew of those acts" (Cohen 2016). This deception created in marketing communications since using the communication channels is the most effective way of achieving the main objective of deviancy which is to manipulate the customers about the company. Hence, the marketing communication channels are visible for deception including deceptive representations (statements, objects, pictures) about any element of any persuasion tactics used to bolster the message's persuasive impact (Bousch et al. 2015). It includes all kinds of misrepresentations of services and products either by denigrating the opponent or glorifying itself. Additionally, these methods are adapted easily to online environment thanks to the technological improvements. The online ads include persuasive call to action tools which attract the consumers well. In a similar manner, companies use online review Web sites to reach their potential or existing customers to have a positive perception about their company, or a negative one about their competitor.

2.8 Competitive Deviance in Online Marketing Practices

As the traditional word-of-mouth (WOM) practices evolved into electronic platforms (eWOM), online reviews became more critical issue for consumers because they mainly serve the dissemination of knowledge about both negative and positive experiences which may turn into affecting purchase decision of others. The increasing effect of online reviews allows brands to manipulate the information on the Web mainly through fake reviews. Fake reviews are the texts written by paid professional reviewers, by company employees, or by competitors (Dellarocas 2006; Hu et al. 2011; Bambauer-Sachse and Mangold 2013; Akoglu et al. 2013). Using fake reviews and fake user-generated contents in order to glorify company itself and to denigrate the competitor is considered as competitive deviance and as a marketing tactic. Even though writing negative review about competitor is seen more deviant, manipulating the positive perception is counted as an equally deviant behavior.

This chapter offers a conceptual model regarding the possible results of competitive deviant behavior in online reviews in terms of believability and perceived deviance (Fig. 2.1). This model includes the moderators of labeling of the deviance and previous consumer knowledge about the competitive environment and about the strategies for online reviews, affecting perceived ethicality of the company (Fig. 2.2).

Believability of the online review

The customers are exposed to a large number of online reviews. They evaluate the reviews in detail in order to find the most relevant information to their needs. Hence, believing the review is a critical factor to consider it as relevant. There are some possible effective antecedents of believability of online reviews. The trustworthiness, convincing power, and the usefulness of online reviews depend on the quality of the review content which depends in turn on the length, the detail level of the information

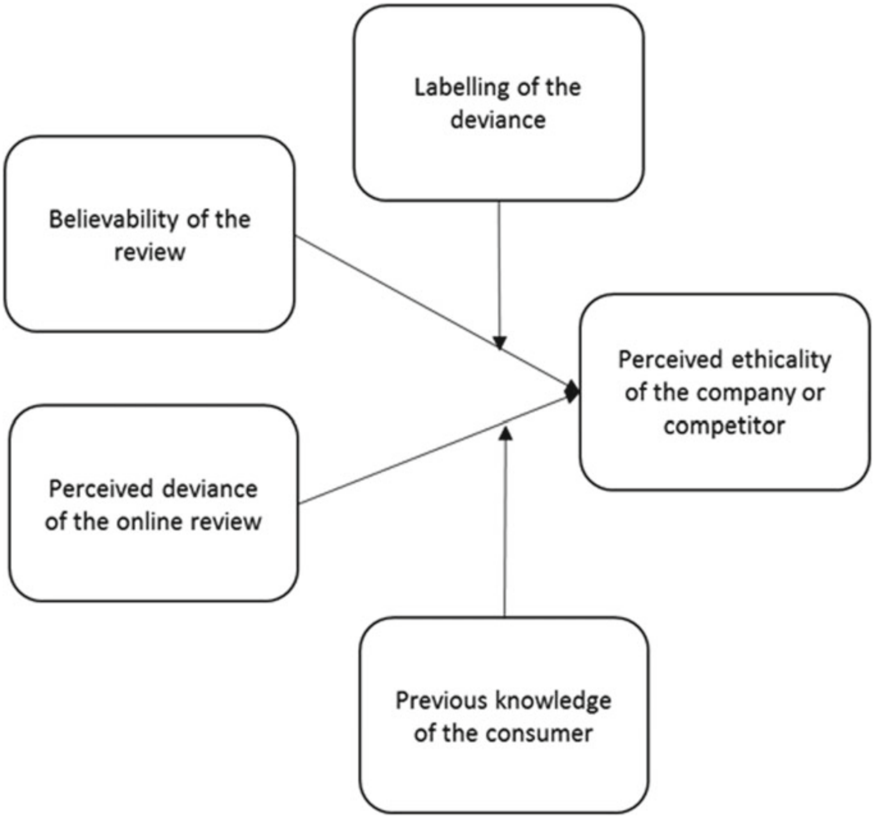

Fig. 2.2 Proposed model

given, and the writing style of the review. For example, it is revealed that the longer reviews written from a consumer perspective giving necessary details are perceived as more trustworthy (Mudambi and Schuff 2010; Schindler and Bickart 2012; Filieri 2016). The factors affecting the believability of the review can be summarized as follows (Zhou et al. 2004; McCornack 1992):

- Quantity of the information and the details presented in the message
- Quality of the information in terms of veracity and validity
- Relevance of the information perceived by the reader
- Presentation manner of the information in terms of clarity, ambiguity, and briefity.

If a customer does not believe the review he/she reads, the results can be destructive for the company. The proposition below can be offered in parallel with this:

P1: *There is a positive relationship between the believability of the online review and perceived ethicality of the company or the competitor.*

In addition to the believability of the review, as it is suggested in the conceptual model, perceived deviancy of the online review is another antecedent affecting the perceived ethicality of the company. By perceived deviancy of the online review, we mean that whether the review is perceived as deviant or not. The believability and the perceived deviance of the review will negatively affect the perceived ethicality of the company or the competitor. The main reason behind perceiving the company or competitor unethical or not is the negativity or the positivity of the review. If the comment is extremely positive, then the company will be glorifying itself and this will lead to a perception that the company is lying about itself. On the other hand, if the comment is extremely negative, then the company will be denigrating its opponent, and this will lead to a perception that a company is lying about the competitor.

P2: *There is a negative relationship between the perceived deviance of the online review and perceived ethicality of the company or the competitor.*

Additionally, the proposed model includes two moderators: labeling of the deviance and previous knowledge of the consumer. These are both consumer-related variables. Labeling is a determinant for defining a behavior as deviance; a consumer may label the behavior as a positive or a negative deviant behavior depending on the cultural dimensions of his/her nationality, his/her norms, and standards. According to the model, if a consumer does not label writing a competitive review as out of norms, this will not have an effect on the perceived ethicality of the company.

P3: *Labeling of the deviance positively moderates the relationship between (a) believability of the online review and (b) perceived deviance of the online review and perceived ethicality of the company or the competitor.*

On the other hand, if the review is labeled as negative, this will decrease the ethicality perception, or vice versa. The second moderator which is the previous knowledge of the consumer mainly focuses on the previous experience of the consumer about the online reviews. A skilled, alert consumer who previously exposed to a deceptive fake review will be expecting a higher fake review rate in the social media, and this will increase his/her protection instinct toward the reviews.

P4: *Previous knowledge of the customer positively moderates the relationship between (a) believability of the online review and (b) perceived deviance of the online review and perceived ethicality of the company or the competitor.*

A consumer who is aware of this strategic intervention of the companies in online media will react to the reviews differently from unaware consumer. Even though it is not easy for consumers to realize the fake reviews, the quick dissemination of online reviews and the publications of companies about deceptive texts increase consumers' detective behavior when reading online reviews (Ott et al. 2011; Bambauer-Sachse and Mangold 2013) and they start to search for candid information that will provide an insight for them (Baka 2016) before the purchase decision. In upcoming years, consumers will be more and more on the alert about the so-called deviant, fake, deceptive, fraud, etc., reviews and this will lead a higher impact on their previous knowledge.

2.9 Conclusion and Discussion

In today's digital and service-dominant market, online reviews are the main tools to influence consumers' decision process through value co-creation. Value is defined as an "interactive relativistic preference experience" by Holbrook (2006, p. 212); it is formed in an interactive process including co-creation with the firm and the customer (Eccheveri and Skalen 2011; Prahalad and Ramaswamy 2004; Ramirez 1999; Vargo and Lusch 2004). Since a customer's buying process starts from searching information, continues with collecting information and evaluating alternatives, and ends with purchasing; throughout this deciding path, consumer is exposed to several stimuli which belong to firms affecting the consumer's decision. At the same time, consumer leaves behind some marks about his/her preferences on that path which appear as online reviews and comments about the experience. Hence, the reciprocal value creation process is created by both the firm and the consumer, which leads to value co-creation. Since the service-dominant logic (Lusch and Vargo 2006) suggests that every single product is made up of knowledge and skills, and the value is formed by these two assets, value co-creation is mostly emphasizing positive outcomes. However, the value co-creation process has a contradiction: value co-destruction. It is also an interaction process, but with a negative individual or organizational outcome about the well-being of the service system (Prior and Marcos-Cuevas 2016; Ple and Chumpitaz Caceres 2010). It is also suggested that value co-creation and value co-destruction is a zero-sum game positing that the misuse of resources could also be intentional and unintentional which refers to the competitive deviance studied in this chapter (Ple and Chumpitaz Caceres 2010).

In the conceptual model suggested in previous section, value co-destruction may emerge through the decrease in the consumer's perceived ethicality of the company itself or the competitor as a result of the competitive deviance. According to the literature, perceived ethicality of an organization depends on certain attributes such as honesty, integrity, diversity, responsibility, quality, respect, and accountability (Fan 2005 and Singh et al. 2012). It is also emphasized in the literature that the ethical attributes have a positive effect on the two dimensions of "sincerity" and "competence," thus helping companies to gain competitive advantage through increasing perceived ethicality (Aaker 1997). Favorable or unfavorable perceptions about a company's ethics affect consumer evaluation of that business and their attitude toward and relationship with its brands and may consequently steer purchase behavior (Brunk and Bluemelhuber 2010).

Although the expected aim of manipulating an online review about company itself in a positive way is to favor the perceived brand value, becoming more and more aware about the fake online reviews, consumers have a negative idea about the narrator brand. On the other hand, expecting to denigrate the competitor by a negative fake review negatively affects the perceived brand value of the competitor. In both cases, as a result, the value is co-destructed unintentionally by the firms and intentionally by the consumer, therefore leading to value co-destruction as a possible outcome of online deviance (see Fig. 2.3).

Improvement of Web 3.0 opened consumers and practitioners new areas of involvement for value formation process. In a world of value co-creation, online behaviors of companies became more and more important for the value perception of consumers. Indeed, it is bilaterally crucial for firms and consumers because an online review has the power of being a reflection of the organizational culture. Hence, not only the content and but also the believability of the review becomes a determinant factor for the consumers' value perception about the company. The main contribution of this study is to put forth the effect of perceived deviant online behavior of organizations in terms of value co-destruction. Since interactive value formation has a downside instead of only upside (Eccheveri and Skalen 2011), value co-destruction can occur easily with the help of readily disseminated online information. As it is reflected in the suggested conceptual model, consumers' perception about the believability and deviance of the review and labeling the deviance are expected to affect the ethics perception of the organization. In the very end, the main effect of deviant online reviews is expected to be a value co-destruction for the company through perceived ethicality. As it is suggested in the conceptual model, believability and perceived

Fig. 2.3 Possible outcome of online deviance

deviancy of the online review will negatively affect the perceived ethicality of the company or the competitor, and accordingly, it will increase value co-destruction.

The study aims to contribute the literature with a new approach about the antecedents and effects of perceived deviancy, and the results are expected to provide marketers a new perspective about how to manage online reviews to have a desired level of perceived ethicality. The proposed model is expected to lead a detailed understanding of online reviews and perceived ethicality relationship for the companies. An online review is generally considered as an important tool for value co-creation since it provides significant insight about the customer needs and wants. However, if the review is manipulative, the suspicion of the consumer will result as a decrease in ethics perception for the company and this will have an indirect implication of value co-destruction instead of co-creation.

One of the limitations of the model is that, although the model is drawn upon service-dominant logic based on knowledge and skills, the conceptual model is not specified for any of the sector or firm type. The perceived ethicality of the consumer may differ through the sectors. It is important to underline that the literature findings suggest that the impact of unethical business transactions on consumers' ethical perception is asymmetric. This means that not all types of business conduct commonly regarded as unethical resonate with the same intensity. It is also emphasized in the business ethics literature that any change in the perceived ethicality of the company can be realized in the long term, not just by one move. Thus, this study assumes this competitive deviance strategy to be applied for a long-term period.

Appendix

Types of deviance mentioned in the literature

Subject	Author	Journal	Title
Workplace	Robinson and Bennett (1995)	Academy of Management Journal	A Typology of Deviant Workplace Behaviors: A Multidimensional Scaling Study
	Huang et al. (2016)	Journal of Applied Psychology	Deviance and Exit: The Organizational Costs of Job Insecurity and Moral Disengagement

(continued)

(continued)

Subject	Author	Journal	Title
	Michel and Hargis (2016)	Motivation and Emotion	What motivates deviant behavior in the workplace? An examination of the mechanisms by which procedural injustice affects deviance
	Henle et al. (2005)	Journal of Business Ethics	The Role of Ethical Ideology in Workplace Deviance
	Parks and Mount (2005)	Academy of Management Best Conference Paper	The "dark side" of self-monitoring: Engaging in counterproductive behaviors at work
	Litzky et al. (2006)	Academy of Management Perspectives	The Good, the Bad, and the Misguided: How Managers Inadvertently Encourage Deviant Behaviors
	Bowles and Gefand (2006)	Academy of Management Best Conference Paper	Status and the social construction of workplace deviance
	Dunlop and Lee (2004)	Journal of Organizational Behavior	Workplace deviance, organizational citizenship behavior, and business unit performance: the bad apples do spoil the whole barrel
	Schilpzand et al. (2016)	Journal of Organizational Behavior	Workplace incivility: A review of the literature and agenda for future research
	Verdorfer et al. (2015)	Journal of Business Ethics	Exploring the Socio-moral Climate in Organizations: An Empirical Examination of Determinants, Consequences, and Mediating Mechanisms
	Skubinn and Herzog (2016)	Journal of Business Ethics	Internalized Moral Identity in Ethical Leadership
Employee	Amyx and Jarrell, (2016)	Journal of Managerial Issues	The Influence of Salesperson Depression, Low Performance, and Emotional Exhaustion on Negative Organizational Deviance
	Aquino et al. (1999)	Journal of Organizational Behavior	Justice constructs, negative affectivity, and employee deviance: a proposed model and empirical test

(continued)

(continued)

Subject	Author	Journal	Title
	Boukis (2016)	The Service Industries Journal	Achieving favourable customer outcomes through employee deviance
	Hochstein et al. (2017)	Journal of Marketing Theory & Practice	Incorporating a counterproductive work behavior perspective into the salesperson deviance literature: Intentionally harmful acts and motivations
	Hochstein et al. (2015)	Journal of Marketing Theory & Practice	Positive and negative social reactions to salesperson deviance
	Mainemelis (2010)	Academy of Management Review	Stealing fire: Creative deviance in the evolution of new ideas
	Sims (2002)	Journal of Business Ethics	Ethical Rule Breaking by Employees: A Test of Social Bonding Theory
	Zoghbi-Manrique-de-Lara and Suarez-Acosta (2014)	Journal of Business Ethics	Employees' Reactions to Peers' Unfair Treatment by Supervisors: The Role of Ethical Leadership
	Chen (2014)	Journal of Business Ethics	Are Workers More Likely to be Deviant than Managers? A Cross-National Analysis
	Avey et al. (2015)	Journal of Business Ethics	The Influence of Abusive Supervision and Job Embeddedness on Citizenship and Deviance
	Witt and Andrews (2006)	Academy of Management Best Conference Paper	The predisposition to engage in interpersonal deviance at work
Organizational	Biron (2010)	Human relations	Negative reciprocity and the association between perceived organizational ethical values and organizational deviance
	Hsieh and Wang (2016)	Journal of Business Research	Linking perceived ethical climate to organizational deviance: the cognitive, affective, and attitudinal mechanisms

(continued)

(continued)

Subject	Author	Journal	Title
	Jia and Zhang (2016)	Journal of Business Research	How long does the influence of organizational deviance have on innocent firms?
	Li and Ng (2013)	Journal of Business Ethics	The Normalization of Deviant Organizational Practices: The Non-performing Loans Problem in China
	Warren (2003)	Academy of Management Review	Constructive and deconstructive deviance in organizations
	Mazutis (2008)	Academy of Management Proceedings	What is corporate deviance? Exploring negative and positive deviant firm behavior
	Earle et al. (2010)	Academy of Management Journal	The Normalization of Deviant Organizational Practices: Wage Arrears in Russia: 1991-98
	Bogard et al. (2015)	Journal of Organizational Behavior Management	An Industry's Call to Understand the Contingencies Involved in Process Safety: Normalization of Deviance
	Christian and Ellis (2014)	Journal of Business Ethics	The Crucial Role of Turnover Intentions in Transforming Moral Disengagement Into Deviant Behavior at Work
	Voliotis (2017)	Journal of Business Ethics	Establishing the Normative Standards that Determine Deviance in Organizational Corruption: Is Corruption Within Organizations Antisocial or Unethical?
	Walls and Hoffman (2013)	Journal of Organizational Behavior	Exceptional boards: Environmental experience and positive deviance from institutional norms
Customer	Amine and Gicquel (2011)	European Journal of Marketing	Rethinking resistance and anti-consumption behaviours in the light of the concept of deviance

(continued)

(continued)

Subject	Author	Journal	Title
	Reynolds and Harris (2006)	Journal of Marketing Theory & Practice	Deviant customer behavior: An exploration of frontline employee tactics
	Leo and Russell-Benett (2012)	Journal of Marketing Management	Investigating Customer-Oriented Deviance (COD) from a frontline employee's perspective
Professional	Raelin (1994)	Journal of Organizational Behavior	Three scales of professional deviance within organizations
	Raelin (1984)	Academy of Management Review	An Examination of Deviant/Adaptive Behaviors in the Organizational Careers of Professionals
Internet	Williams (2008)	International Review of Law Computers & Technology	Using Tittle's control balance theory to understand computer crime and deviance
Online	Nicholls and Rice (2017)	Communication Theory	A Dual-Identity Model of Responses to Deviance in Online Groups: Integrating Social Identity Theory and Expectancy Violations Theory
Employee off-duty	Lyons et al. (2016)	Journal of applied Psychology	Off-Duty Deviance: Organizational Policies and Evidence for Two Prevention Strategies
Group	Thornton and Rupp (2016)	Journal of Business Ethics	The Joint Effects of Justice Climate, Group Moral Identity, and Corporate Social Responsibility on the Prosocial and Deviant Behaviors of Groups

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Chapter 3
Consumer Perceptions and Responsiveness Toward CSR Activities: A Sectoral Outlook

Hatice Aydın

Abstract In today's competitive world, the term social responsibility takes an important place in business strategies of companies. Because consumers have a tendency for buying from companies which have successful corporate social responsibility activities, companies started to realize that performing social responsibility projects and activities is one of their most important responsibilities and they can use CSR as a tool to enhance their brand image and trust. The main aim of this study is to investigate the effect of corporate social responsibility activities on brand image and trust. Also, it is aimed to investigate effect of brand image and trust on attitude and the effect of brand attitude on consumer satisfaction, brand loyalty and word-of-mouth. The study takes fuel sector as an example to explore the impact of consumer's perceptions and reactions about CSR. The research survey collected 388 validated questionnaires. The results show that consumers have significantly different perceptions and reactions toward CSR activities. Their perceptions of CSR form brand perceptions such as brand image and trust. Brand perceptions are affective on brand attitude, and brand attitude is affective on their responsiveness such as satisfaction, loyalty and word-of-mouth.

Keywords Corporate social responsibility · Brand image · Brand trust · Brand attitude · Brand loyalty · Satisfaction · Word-of-mouth

3.1 Introduction

The development of mass communication is exposed consumers to many messages every day. It is becoming difficult for them to distinguish between companies' similar products and services. In this process, it is a requirement for businesses to differentiate themselves from others by making their products or services have emotional and symbolic features (Van de Ven 2008: 340). Hence, businesses' competitive supe-

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riority and ability to make a difference in the eye of consumers depends on their ability to develop an emotional connection with their target groups by using the right communication strategies. The most effective communication strategy in establishing this emotional bond may be corporate social responsibility. Today's businesses are aware of that social responsibility activities are key to success in every respect and they will contribute to becoming a company that is better known and trusted by the society (Giannarakis and Theotokas 2011). Businesses are more involved in social responsibility activities today than they used to be in the past, and they believe that these activities will strengthen their brand image in consumers' minds and boost consumers' self-confidence in every matter (He and Li 2011). As businesses started to attach greater importance to corporate social responsibility activities, the answer to the question whether companies engage in social responsibility activities or not has become a frequent object of curiosity for consumers. Due to the importance consumers attach to corporate social responsibility activities, businesses strive to create a stronger image and build trust among their customers and noncustomers with the help of CSR activities (Özdemir 2009: 64). If firms can build brand image and trust, they can gain competitive advantage and also exert positive influence on the feelings of customers about their brands and companies. Thus, CSR is considered to be an important tool in building brand image and trust (Barnes 2011). Businesses can also promote consumers to develop positive attitudes toward a brand if, according to Brandt (1998), they can strengthen their brand image and according to Barnes (2011) if they can increase brand trust. Consumers' positive attitudes toward a brand might promote consumer satisfaction, and as a result, consumer may transform this satisfaction into loyalty and positive word-of-mouth communication. In brief, social responsibility practices can ensure survival of the companies and improve profitability as these practices can create trust and a prestigious brand image in the eyes of consumers (Özgener 2000, 21). Satisfaction, loyalty and word-of-mouth are regarded by marketers as the Big Three diagnostics leading to companies' profitability. These three factors are also an outcome of the positive attitudes that are formed as a result of corporate social responsibility activities and they improve profitability and facilitate survival of businesses (Coker 2013: 209).

Due to the significance of CSR explained above, the present study aims to explore the effects of consumers' perceptions of CSR activities on consumer perception of brand image and trust; the effects of brand image and trust on brand attitudes; and the effects of attitudes on consumer responsiveness such as brand loyalty, satisfaction and word-of-mouth communication. To this end, the consumers getting service from fuel company were focused on. The present study consists of two sections. The first section offers theoretical information, and the second section comprises the comments about the implementation process and the results of the study. The detailed practical study addresses simultaneously such elements as trust, satisfaction, image and corporate social responsibility activities, which are thought to be highly important for fuel companies. Therefore, the study is expected to serve as a guide both for the industry and for future researchers.

3.2 Theoretical Framework

3.2.1 Corporate Social Responsibility Activities and About Fuel Oil Sector in Turkey

Today, being sensitive to the needs and demands of the society, protecting the environment, supporting a variety of projects so as to resolve social problems and creating a healthy economic environment emerge as essential obligations for brands which aim to survive (Özdemir 2009: 58). These efforts altogether are expressed as corporate social responsibility. Accordingly, CSR can be defined as the sum of activities companies utilize for creating social value and meeting their needs (Lichtenstein et al. 2004). These activities are aimed at employees, environment, economy, members of the society in general and most importantly consumers; they involve handling issues like welfare, health and safety as well as practices undertaken for the purposes of meeting psychological and emotional needs (Kotler and Lee 2006: 201). In today's business world, companies can survive as long as they make profit. Businesses have to observe the interests of the society while carrying out their activities to earn profit. In other words, businesses have to observe the interests of their social stakeholders such as employees, shareholders and society, while they realize their economic purposes. The concept of social responsibility emerges just at this point (Şimşek et al. 2003: 378). Corporate social responsibility activities can be related to a variety of fields. Accordingly, companies need to define their areas of social responsibility and to review their economic welfare, social development, social justice, etc., objectives to that end (Moisescu 2015). Within this context, companies are required to take into consideration not only their employees and customers but also other members of the society altogether and to fulfill their responsibilities toward them. Therefore, in addition to the most fundamental activities, modern companies may also engage in social responsibility activities concerning shareholders and suppliers (Öberseder et al. 2014). In CSR activities concerning consumers, businesses have the responsibility to offer high-quality goods and services to consumers. As to those concerning employees, companies bear the responsibility in terms of just treatment of employees as well as of promotion, compensation or premium payments to their employees. Environmental CSR activities of businesses are aimed toward creating a sustainable environment. CSR activities concerning economic development, on the other hand, endeavor to achieve a reasonable price arrangement and dividend payout. Finally, community-oriented CSR aims at participating in social activities related to culture, sports, education, etc. (Wu and Wang 2014: 44). With CSR for shareholders, company communicates openly and honestly with shareholders, and with CSR for suppliers, company provides fair terms and conditions for suppliers (Öberseder et al. 2014).

As the world population grows, so does the need for oil, which is the primary energy input for economic development both around the world and in Turkey. This need makes it necessary to follow up the developments and changes in the fuel industry closely. When the developments in the fuel industry are analyzed, in the face of competition, fuel businesses may experience a more intensive struggle to retain their existing customers and gain new customers compared to businesses in other industries. Because the gas stations are only associated with pumps and price discrimination is not possible in gas stations (Iyer and Seetharaman 2001), these situations make the differentiation efforts of fuel companies difficult. According to legal regulations regarding the fuel industry, it is obligatory to be affiliated with a company which holds a distribution license and to operate under the distributor brand. This, however, may restrict both the differentiation of the fuel industry in a competitive environment and branding (Ünal et al. 2013: 367). When these difficulties combine with the similar peripheral services fuel companies offer, it is seen that the chances of competition appear to be slim. In the face of these difficulties, fuel businesses want to get rid of their images as "standard gas stations" and try to get a position different from their competitors (capital.com.tr). They use CSR activities as an effective tool in creating a difference in competition and having a positive image in consumers' minds (Canöz 2016: 1).

Besides, fuel companies usually believe that social responsibility activities promote sustainable development, ensure profitability and work toward protecting the world/humans. They also hold that there must be a balance between economic, environmental and social CSR activities (Zhang 2010: 49). It is known that, if they would achieve doing so, this would then transform into a potential of customers who are satisfied with the goods and services they purchase (Jamal and Goode 2001), are loyal to the products and services (Ünal et al. 2013: 367) and spread positive word-of-mouth about a given brand or product (Shen et al. 2016). Therefore, fuel companies in Turkey, which operate at a national level and most of which also operate at international level, have in recent years been intensively engaging in social responsibility activities (Canöz 2016: 18).

3.2.2 Literature Review

Recently, the number of studies exploring the effect of corporate social responsibility activities on consumer behavior in service industry has been increasing (Crespo and Del Bosque 2005; Mandhachitara and Poolthong 2011; Hartmann 2011; Chen et al. 2012; Wu and Wang 2014; Aydın and Erdoğan 2015; Çivelek et al. 2016). However, the number of studies on consumer perceptions, attitudes and behaviors concerning corporate social responsibility activities in the fuel industry, which is a subindustry of the service industry, is limited. Some of the studies carried out in the area of fuel industry are as follows:

Browne (2001) explored the effect of brand image on consumers' perceptions in his study on BP's brand image. In the study, BP's image as a brand was analyzed in relation to a range of criteria. These criteria involved BP's efforts for protecting the environment, the way it is perceived as a company as well as such criteria as community involvement, dignity and treatment of employees. The questions whether BP values humans, whether it is sensitive to the needs of consumers and whether it is a company people would want to work for were also among the criteria. As a result, it was found out that BP's brand image painted a positive picture and consumer perceptions regarding all the criteria were in a positively upward trend. Göksu (2006) investigated how consumers perceive social responsibility practices of fuel businesses concerning the society and environment and how this perception is reflected on brand images. As a result, it was revealed that the effect of corporate social responsibility perceptions on brand image is positive and that this effect is highest for the fuel company "Opet." Özdemir (2007) studied the effects of corporate social responsibility perceptions of Opet's employees on organizational identification, organizational commitment and job satisfaction. She concluded that the employees perceive their companies as ones fulfilling their economic, legal, moral, and voluntary responsibilities and that their perceptions of voluntary responsibility are lower than those of other dimensions of responsibility. Zhang (2010) explored in his study the corporate social responsibility system of fuel companies in China. According to the findings in his study, companies limit their social responsibility activities and although economic, social and environmental social responsibilities are given primary importance, there exist also social responsibilities concerning shareholders, consumers, the society and suppliers. Spangler and Pompper, in 2011, conducted a theoretical study on corporate social responsibility activities in the fuel industry. According to the results, four main recommendations can be made to develop the CSR theory: (1) Companies should possess a sense of social responsibility and truly internalize it; (2) public trust should be gained; (3) feedback should be provided to the public and (4) cooperation should persist in all areas. Canöz (2016) conducted a content analysis regarding the social responsibility practices of fuel companies. He revealed that most companies head for social responsibility activities related to "ecology and environment," show their messages about their activities on their Web pages and make such information accessible on their Web pages.

3.3 Research Hypotheses

Brand image is defined as the sum of subjective and perceptual phenomena that are formed in consumers' minds about a brand (Keller 1993: 51). Consumers can create the image of a brand in their minds by means of the associations they connect with that brand in their memories. Corporate social responsibility activities of businesses can strengthen both the brand image and associations in consumers' minds (Sen et al. 2006; Brunk 2010). If a company enriches its brand with social and ethical events and engages in intensive corporate social responsibility activities, it helps consumers make positive brand and product evaluations (Boonpattarakan 2012). Besides, if they get successful, they can create a stronger and more positive image in consumers' minds (Singh et al. 2008: 599; Alexander et al. 2014). From this point of view,

H1a: CSR for the environment has a positive effect on brand image.
H1b: CSR for employees has a positive effect on brand image.
H1c: CSR for community has a positive effect on brand image.
H1d: CSR for customers has a positive effect on brand image.
H1e: CSR for economy has a positive effect on brand image.

Brands offer communication services to their consumers by means of corporate social responsibility activities. Both the rights and wrongs during the communication process have an influence on brand trust (Zyman et al. 2000: 92). Therefore, the rights in corporate social responsibility practices can increase brand trust (Swaen and Chumpitaz 2008: 87). Thanks to corporate social responsibility activities, businesses gain the trust of the society and achieve to attract consumers (Brakman et al. 2006: 69; Barnes 2011: 14). In view of this,

H2a: CSR for the environment has a positive effect on brand trust.
H2b: CSR for employees has a positive effect on brand trust.
H2c: CSR for customers has a positive effect on brand trust.
H2d: CSR for community has a positive effect on brand trust.
H2e: CSR for economy has a positive effect on brand trust.

Both brand trust and a strong brand image are highly important in the act of purchasing a certain brand. Consumers usually prefer the brand they are familiar with or the one they have a favorable feeling toward in terms of trust. Brand trust is at such an important point that it plays an important role in the transformation of purchasing decision into action (Zyman 2000: 92). Attitudes are defined as the manners, and a positive or negative stance an individual adopts in relation to a subject (Bozkurt 2004: 42). Consumers have a higher attitude toward purchasing products and brands that have a good image (Jarvenpaa et al. 2000). Therefore, consumers' perceptions of a brand image affect their attitudes and behaviors (Mejri and De Wolf 2012). A prestigious company creates a sound and reliable company perception in consumers' minds. Therefore, a company with a good brand image receives higher level of trust (Göksu 2006: 92; Fettahlıoğlu 2008: 56). In light of this,

H3: Brand image has a positive effect on brand attitude.
H4: Brand trust has a positive effect on brand attitude.
H5: Brand image has a positive effect on brand trust.

Consumers' positive attitudes toward a brand determine their loyalty to that brand (Bennett and Rundle-Thiele 2002). In other words, consumers' brand loyalty can be affected by their attitudes (Klein and Dawar 2004). According to Jamal and Goode (2001), when consumers' positive attitudes toward a brand get stronger, they tend to prefer that brand, and this leads higher brand satisfaction levels in return. That is, the higher the positive attitudes toward a brand are, the higher the level of consumers' brand satisfaction gets (Romaniuk and Sharp 2003). Positive attitudes toward a brand can have a positive influence on consumers' tendency to recommend the brand to others (Shen et al. 2016). In light of these,

H6: Brand attitude has a positive effect on brand loyalty.
H7: Brand attitude has a positive effect on satisfaction.
H8: Brand attitude has a positive effect on word-of-mouth.

Consumer satisfaction means that a product or service meets or even exceeds a consumer's expectations, and therefore, it increases consumer's repurchase behaviors (Kotler 2000) and can transform into loyalty (Ranaweera and Prabhu 2003). Consumers who are satisfied with their brand do not only remain loyal to the brand and repurchase it but also share their satisfaction with others and make recommendations about the brand to them (Shen et al. 2016). Briefly explained, higher consumer satisfaction can result in brand loyalty and such behavioral intentions as word-of-mouth communication (Chen and Chen 2010). In view of this,

H9: Consumer satisfaction has a positive effect on loyalty.
H10: Consumer satisfaction has a positive effect on word-of-mouth.

According to hypotheses, research model is shown in Fig. 3.1.

3.4 Methodology

3.4.1 Aim, Scope and Limitations

Businesses undertake corporate social responsibility activities, which consist of activities conducted for public benefit, with the aim of achieving market recognition and public acceptance, creating brand trust and a prestigious brand image in the eyes of consumers. Today, they utilize these activities as one of the primary public relations practices. As they desire to gain public support, fuel companies that operate in Turkey head extensively for social responsibility activities, which are regarded as activities essentially beneficial for the society (Canöz 2016: 3). Social responsibility activities of businesses are a common study subject, yet the number of studies on corporate social responsibility activities in the fuel industry is limited. Therefore, there is a need for research to determine which social responsibility activity is preferred the most or is given particular importance in the fuel industry. The main aim of the present study is to identify the CSR activities that fuel companies undertake for the purposes of building brand image and brand trust and to determine the effect of consumers' perceptions of corporate social responsibility activities undertaken by fuel companies on brand image and trust. The secondary aims of the study are to explore the effects of brand image and trust on brand attitudes; the effects of attitudes on consumer satisfaction, brand loyalty and word-of-mouth communication; the effects of consumer satisfaction on brand loyalty and word-of-mouth communication; and the effects of brand image on brand trust. Considering the fact that the research population was large and also taking the aspects of time and cost of the study into account, a study population (accessible population) was defined instead of working on a research population. According to Şimşek and Yıldırım (2011), study population is a method to be

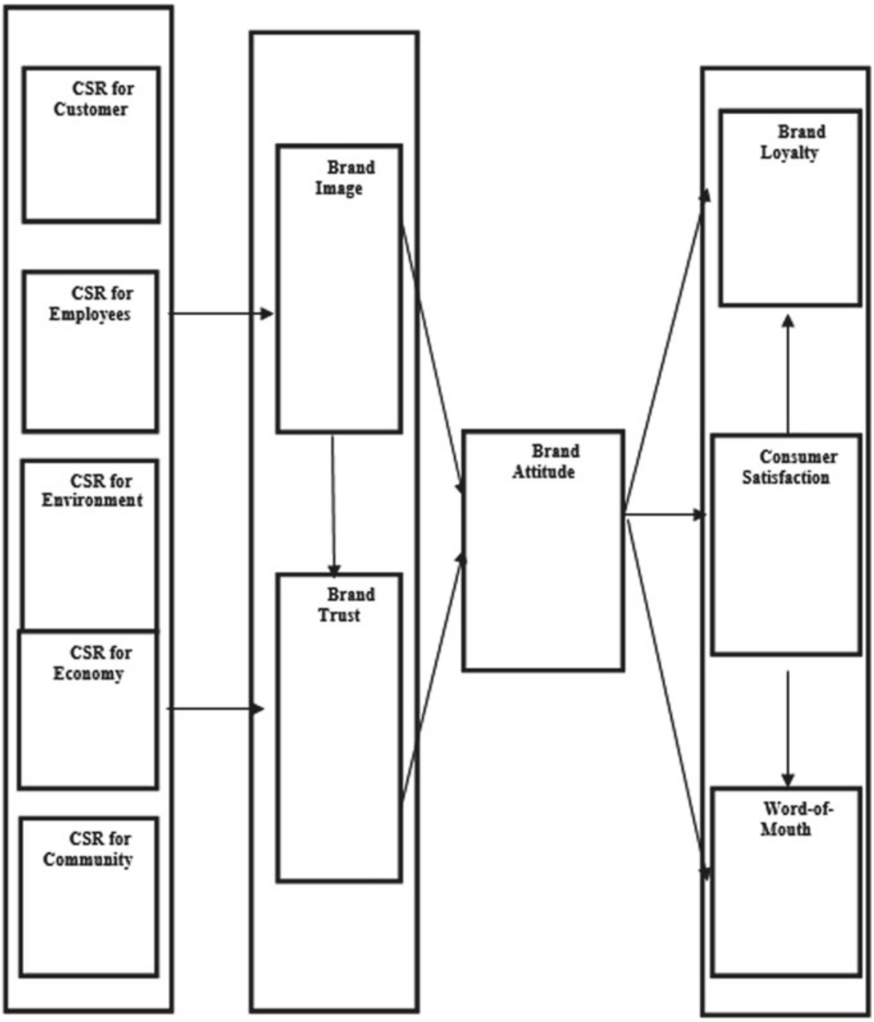

Fig. 3.1 Research model

utilized when the research population is too large. The study population was defined as Istanbul. The reason for doing so is the fact that the number of fuel companies in Istanbul is higher than other cities (ekonomist.com). In view of this, users of fuel businesses in Istanbul were included in the study population. Hence, the results of the study cannot be generalized to other cities, industries or brands.

3.4.2 Sampling Process and Data Collection

The research population consisted of consumers getting services from gas stations located in Turkey. The first five fuel companies with the highest shares in the energy market based on their fuel sales were defined in light of the Petroleum Market Report 2016 of the Energy Market Regulatory Authority (EMRA) of Turkey, and customers who purchase fuel from these companies were selected as the population. According to the aforementioned report, OMV Petrol Ofisi A.S. holds the first place in the market with a share of 22.31%; OPET Petrolcülük A.S. ranks second with a share of 16.60%; the third place belongs to Shell & Turcas Petrol A.S. with a share of 15.06%. As to the fourth and fifth companies, they are BP Petrolleri A.S. with a share of 8.46% and Total Oil Türkiye A.S. with a share of 5.05%, respectively. The participants were determined through convenience sampling. The research data were collected via a survey. Although 500 consumers were reached, 388 survey forms were included in evaluation. Prior to preparing the final questionnaire form and collecting data from the respondents, criticism and recommendations about the questionnaire form were collected from 50 interviewees for the purposes of determining whether the study scales were comprehensible and then eliminating the loopholes. In light of the recommendations and opinions, incomprehensible parts of the questionnaire were modified, and the questionnaire was given its final form. Data were collected via a questionnaire. Questionnaire form involved two groups of questions. The first group comprised the questions aimed at evaluating corporate social responsibility, brand image, trust, attitude, loyalty, satisfaction and word-of-mouth communication. The second group contained questions aimed at evaluating demographic features. Respondents' agreement levels were measured by means of Likert scale (5 = strongly agree, 1 = strongly disagree). The statements concerning CSR activities were developed based on scale of Wu and Wang (2014), brand image based on Netemeyer et al. (2004), brand trust based on Lau and Lee (1999), brand attitude based on Lerbin (2015), brand loyalty and word-of-mouth communication based on Carroll and Ahuvia (2006) and brand satisfaction based on Wu and Wang (2014). The data were analyzed via SPSS 19.0. They were exposed to exploratory factor analysis and multiple regression analysis.

3.5 Results of Analysis

Demographic characteristics are as shown in Table 3.1. As shown in Table 3.1, 56% of respondents were undergraduate, 20.1% had secondary and high school education, and 23.9% had master education. 36.6% of respondents were female, and 63.4% were male. Mean of respondents' age was 35. 32.5% had an income of 5001–6500, 22.4% had an income of above 6500, 22.2% had an income of 3501–5000, and 5.2% had an income below 2000 TL. 60.8% of respondents were married, and 39.2% were single.

Consumers were asked whether they had information about fuel oil companies' social responsibility activities, and the results are as shown in Table 3.2. As shown in

Table 3.1 Demographic features

Education	Freq.	%	Income	Freq.	%
Secondary-High School	78	20.1	Below 2000	20	5.2
Undergraduate	217	56	2000-3500	69	17.7
Master	93	23.9	3501-5000	86	22.2
Sex			5001-6500	126	32.5
Female	142	36.6	Above 6500	87	22.4
Male	246	63.4	**Marital status**		
Age	**Mean**	**Median**	Married	236	60.8
	35	32	Single	152	39.2
Total	388	100	Total	388	100

Table 3.2 Knowledge of respondents about social activities of "fuel oil companies"

	Frequency	%
CSR for environment	111	28.6
CSR for employers	87	22.4
CSR for consumers	84	21.6
CSR for community	86	22.2
CSR for economy	20	5.2
Total	388	100

Table 3.2, 28.6% of respondents had knowledge about CSR for environment, 22.4% about employers, 22.2% about CSR for community, 21.6% about CSR for consumer and 5.2% had knowledge about CSR for economy.

After the data were collected, scales were subjected to a process of elimination to test their reliability and validity. All Cronbach's alpha values are higher than 0.70% which means that reliability results of the scales were good. Thus, no item was removed. Firstly, exploratory factor analysis (EFA) was made via the varimax method to determine under which variables the statements were gathered. Kaiser–Meyer–Olkin value, which shows sampling adequacy, was seen to be 0.869 for CSR activities, and Barlett's test, which indicates the existence of adequate relationship between the variables, proved to be significant at the level of $p < 0.001$. However, total variance explained was found to be 70.855%. Factors with eigenvalue 1 or greater than that were extracted, as it is the standard procedure followed in prior scale development studies (Thomson et al. 2005). Exploratory factor analysis results for activities are as shown in Table 3.3. Table 3.3 shows that all items loaded highly on their factor. There is only one item having loading under 0.4. This item is not included in any factor, and the factor load is too low. Thus, it is removed. This item is called as "I feel the fuel oil companies' employees are full of energy and passion." This item was under CSR for employee before the EFA.

Secondly, EFA is made for the other variables. Table 3.4 shows that all items loaded highly on their factor. There is only one item having loading under 0.4. This item is not included in any factor, and the factor load is too low. Thus, it is removed. This item is called as "Purchasing the brand was a good experience." This item belonged to "brand attitude" scale. The relevant values obtained are as follows: brand image—KMO: 0.886, Barlett's test: 1.808.872, explained variance: 79.360%; brand trust—KMO: 0.661, Barlett's test: 424.076, explained variance: 47.385%; brand attitude—KMO: 0.742, Barlett's test: 892.604, explained variance: 57.321%; brand satisfaction—KMO: 0.749, Barlett's test: 602.569, explained variance: 62.457%; brand loyalty—KMO: 0.748, Barlett's test: 599.180, explained variance: 64.921%; and word-of-mouth communication—KMO: 0.748, Barlett's test: 439.792, explained variance: 60.257%. Additionally, the levels of reliability of all the variables were seen to be in the range of 0.60–1.00, which indicates quite a high degree of reliability (Kalaycı 2014, 405). The EFA results are as shown in Table 3.4.

Multiple regression analysis was made to test the research model. Regression analysis was made firstly to determine the effects of CSR activities on brand image and brand trust; secondly, to identify the effects of brand image and brand trust on attitudes; thirdly, to reveal the effects of attitudes on brand satisfaction, brand loyalty and word-of-mouth communication; fourthly, to explore the effects of brand satisfaction on brand loyalty and word-of-mouth communication; and lastly, to see the effect of brand image on brand trust. The research results are presented in Table 3.5. As understood from values in the table, all the hypotheses were accepted.

3.6 Conclusions, Suggestions and Limitations

The regression models formed to test the hypotheses proposed in the study yielded significant findings. According to the research results, all the CSR activities are effective in building brand trust and image. The fact that all the CSR activities are effective on trust shows that all the CSR activities of fuel oil company boost trust in it. CSR activities are more affective on brand image than on brand trust. This result implies that the CSR activities are more effective in creating image, which is consistent with the literature (Göksu 2006). The effect of trust on attitude is higher than that of brand image. In other words, brand trust is more effective in creating a positive attitude toward the brand compared to brand image. This result demonstrates that brand prestige is not enough so a brand has to provide trust as well (Erdoğan 2013: 61). Attitude is more influential on satisfaction. This may be proved by the fact that some fuel companies in Turkey have been chosen as the most satisfying brands in the satisfaction index (opet.com.tr). Brand satisfaction has a higher influence on brand loyalty than on word-of-mouth communication. CSR activities concerning environment is more influential on brand image and brand trust. This result is consistent with the literature (Bozkurt 2004). It is reported that CSR activities affect brand image

Table 3.3 EFA results about CSR activities

Variables	Factor loads	Eigenvalue	Percentage variance
CSR for environment, Cronbach's alpha: 0.89		3.197	15.225
Fuel oil company has reduced sales of over-packed products	0.828		
Fuel oil company looks to eco-friendly production procedure	0.888		
Fuel oil company undertakes the responsibility for environmental protection	0.863		
Fuel oil company has been doing recycling for environmental protection	0.798		
CSR for employee, Cronbach's alpha: 0.89		3.068	14.610
Fuel oil company employees work highly efficiently	0.847		
Fuel oil company' employees have very good service attitude	0.834		
I feel the fuel oil company employees love their company	0.827		
I feel fuel oil company provides a good work environment	0.709		
CSR for community, Cronbach's alpha: 0.86		2.924	13.923
Fuel oil company is active in public welfare activities	0.712		
Fuel oil company has long been making donations to poverty-stricken areas	0.804		
Fuel oil company has been holding regular social events to promote healthy diet concepts	0.799		
Fuel oil company has been sponsoring art and cultural activities	0.768		
CSR for consumers, Cronbach's alpha: 0.85		2.905	13.833
Fuel oil company provides products and services that meet consumers' needs	0.831		
Fuel oil company treats customers with ethical and honest attitude	0.715		
Fuel oil company thinks from consumer's point of view	0.803		
Fuel oil company can undertake the product liability	0.896		
CSR for economy, Cronbach's Alpha: 0.84		2.785	13.264

(continued)

Table 3.3 (continued)

Variables	Factor loads	Eigenvalue	Percentage variance
Fuel oil company can help promote industrial development	0.831		
Fuel oil company marketing approach is very attractive	0.842		
Fuel oil company is always innovative in new product development	0.827		
Fuel oil company can help our country's economic development	0.770		
Kaiser–Meyer–Olkin measure of sampling adequacy: 0.869 Bartlett test of approximate chi-square: 4656.680 Sphericity df: 210 Sig.: 0.000			

and trust (Brakman 2006) and image affects trust (Ünal et al. 2013). All businesses observing social responsibility standards should also equip their brands with positive thoughts, feelings, and beliefs. They should make the public informed of about their social responsibility. In this way, they can better their image in consumers' eyes and translate this image to trust. If brand image and trust are high, consumer's positive attitude toward brand develops. Positive attitudes can be influential in consumer behavior such as brand loyalty, consumer satisfaction and word-of-mouth communication. It is also possible to increase the most satisfaction from these reactions. Because the customer who is satisfied with the brand develops the loyalty to the brand and can talk positively about social responsibility of the companies through word-of-mouth communication (Wu and Wang 2014: 50). Because of important results, this research proves that investments are not enough to have a positive brand image and high brand trust among consumers. The permanence in this matter requires adding an identity and dynamism to the brand by social responsibility practices. It is also understood through this research that corporate social responsibility activities not only increase brand image and trust in the brand, but also help to spread positive attitudes about brand, brand loyalty, satisfaction and word-of-mouth communication by these attitudes. The present study addressed CSR activities concerning environment, society, consumers, employees and economy. Future research may focus on social responsibility practices regarding competitors, shareholders and the state as well. Studies to be conducted in the future may also explore the effectiveness of CSR activities in terms of different inputs and outputs. Research may be carried out in different geographical regions, demographic features, product lines, industries and brands. Furthermore, studies may be conducted on the same brand to compare results from different periods. There are some limitations of the study. One of the limitations of the present study is that it was carried out only in "Fuel Oil Sector." So, the study is not evaluated in terms of other sectors, brands and products. The other limitation

Table 3.4 EFA results of brand image, trust, attitude, loyalty, satisfaction, word-of-mouth

Variables	Factor loads	Eigenvalue	Percentage variance
Brand image, Cronbach's alpha: 0.93		3.968	79.360
(Brand name) brand of (product category) has a rich history	0.902		
(Brand name) brand of (product category) has a strong brand image	0.908		
(Brand name) brand of (product category) has a consistent brand image	0.941		
Over the years, (brand name) of (product category) has a maintained a strong image	0.932		
Over time, (brand name) brand has been very consistent in what it stands for	0.760		
Brand Trust, Cronbach's alpha: 0.72		2.369	47.385
I don't trust this company	0.617		
I believe that this company will not try to cheat me	0.625		
I feel that I can trust this company completely	0.758		
I feel secure when I use products from this company because I know that the company will never let me down	0.793		
I feel that I can rely on this company to manufacture products that works well	0.627		
Brand attitude, Cronbach's alpha: 0.80		2.866	57.321
Purchasing the brand was an enjoyable experience	0.873		
Purchasing the brand was a valuable experience	0.889		
I liked purchasing the brand	0.768		
Purchase brands was a happy experience	0.753		
Brand satisfaction, Cronbach's alpha: 0.77		2.498	62.457
Opet brand or services meet my expectation	0.881		
I am satisfied with the Opet products or services	0.865		
The experience of taking Opet products or services is joyful	0.883		
I am happy that I have bought Opet products	0.442		

(continued)

Table 3.4 (continued)

Variables	Factor loads	Eigenvalue	Percentage variance
Brand Loyalty, Cronbach's alpha: 0.81		2.597	64.924
This is the only brand of this product that I will buy	0.702		
When I go shopping, I do not even notice competing brands	0.830		
If my store is out of this brand, I will postpone buying or go to another store	0.905		
I will "do without" rather than buy another brand	0.772		
Word-of- Mouth, Cronbach's alpha: 0.78		2.410	60.257
I have recommended this brand to lots of people	0.776		
I "talk up" this brand to my friends	0.685		
I try to spread the good word about this brand	0.837		
I give this brand tons of positive word-of-mouth advertising	0.800		

Table 3.5 Regression analysis results

Variables	Beta	R	R^2	Error var.	T value	Sig. level
Dependent variable: brand trust						
CSR for environment	0.406	0.741	0.549	0.850	5.321	0.000
CSR for employee	0.257				3.099	0.002
CSR for community	0.238				3.220	0.001
CSR for consumers	0.116				10.806	0.000
CSR for economy	0.115				5.765	0.000
Dependent variable: brand image						
CSR for environment	0.350	0.782	0.611	0.570	4.798	0.000
CSR for employee	0.297				7.411	0.000
CSR for community	0.200				3.229	0.001
CSR for consumers	0.258				10.027	0.000
CSR for economy	0.107				7.180	0.000

(continued)

Table 3.5 (continued)

Variables	Beta	R	R^2	Error var.	T value	Sig. level
Dependent variable: brand attitude						
Brand trust	0.448	0.785	0.617	0.697	11.312	0.000
Brand image	0.429				7.830	0.000
Dependent variable: satisfaction						
Brand attitude	0.540	0.540	0.291	0.873	12.593	0.000
Dependent variable: brand loyalty						
Brand attitude	0.489	0.489	0.239	0.920	11.007	0.000
Dependent variable: word-of-mouth						
Brand attitude	0.287	0.287	0.080	0.929	5.878	0.000
Depend variable: brand loyalty						
Brand satisfaction	0.529	0.529	0.280	0.903	12.259	0.000
Depend variable: word-of-mouth						
Brand satisfaction	0.313	0.313	0.098	0.921	6.482	0.000
Depend variable: brand trust						
Brand image	0.703	0.703	0.497	0.647	19.395	0.000

of the work is that it is applied only in Istanbul. Therefore, the results of the study cannot be generalized to other regions.

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Chapter 4
Analyzing the Effect of Corporate Social Responsibility Perception on Organizational Identification from Employee Perspective

Halil Emre Akbaş, Serdar Bozkurt, Sadiye Oktay and Semih Yılmazer

Abstract Organizational identification is a basic element of an employee's connection to the organization. In the literature, organizational identification has been taken up with many concepts. The aim of this chapter is to debate the impact of corporate social responsibility on organizational identification. CSR cares for social benefit on a voluntary basis. The benefits of organizational identity and identification cannot be denied because employees who identify themselves with their organization also endeavor to implement the voluntary efforts made by their organization. It is widely accepted that corporate social responsibility activities play an important role in increasing the employees' organizational identification. In the scope of the research, a survey study has been conducted with employees working in public and private sectors in Istanbul. The results of this research show that corporate social responsibility (CSR) activities explain the employees' organizational identification. In addition, it has been determined that the employees' CSR perceptions differ according to demographic specifications and seniority, but they do not differ according to age, gender, and position.

Keywords Corporate social responsibility · Organizational identification · Employees

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4.1 Introduction

For the last two decades, organizations have realized the importance of contributing to not only economic purposes such as growth and profitability but also social purposes. Carrying out the social purposes has started to be formed in the aspects of corporate social responsibility term. Corporate social responsibility concept can be defined as the condition of an organization feeling responsible for its own stakeholders and putting it into practice. When the studies in the literature are viewed, it can be seen that corporate social responsibility consists especially of the ethical, legal, economic, and volunteering dimensions (Carroll 1991).

Environments that are continually changing with globalization, economic and legal regulations, and technological improvements as well as increasing competition make the integration of the human resources with organizations more difficult. The key concept in managing this process is providing a person and organization fit. As a result of this harmony, the employee can identify with his organization. In this identification process, the question of "how efficient are the social responsibility activities of organizations and corporations?" forms the basis of the study. In other words, to investigate whether organizational activities that are based on ethical, legal, economic, and volunteering activities can provide employees' identification with the organization or not is the main purpose of this study.

In the first part of the study, the term of corporate social responsibility and its dimensions are explained. In the second part of the study, the concept of organizational identification is explained. After that, the studies that analyze the relationship between these concepts are mentioned. In the last part, results of the study which are related with the relations between these concepts are presented.

4.2 The Definition and Historical Development of Organizational Identification

Organizational identification (OI) concept emerged in the late 1950s. March and Simon (1958) introduced OI in details, but there were few researches until the 1980s. In late 1980s, many academicians in social psychology and organizational behavior proposed OI as a unique concept. These theories were outlined by Ashforth and Mael (1989). After that, there was a dramatic increase in the number of studies that considered OI as a unique concept encompassing the aforementioned theories. Furthermore, some social psychologists found that social identity theory and self-categorization theory could also be applied to organizations (Riketta 2005). Organizational identification concept was underlined by the Academy of Management Review's special issue published in 2000 (Albert et al. 2000). For the last two decades, this concept has been attracting many scholars and executives (Fuller et al. 2006; Kreiner and Ashforth 2004). People ask for more work-based identifications because of the growing complexity of communities and weak member–organization relationship (Ashforth et al. 2008). The basis of organizational identification is shaped by the social identity theory as well as the self-categorization theory (Tajfel and Turner 1979, 1985; Turner et al. 1987). The social identity theory explains social identity as the values that come with a person's social group membership and emotional importance that is brought about by these values (Tajfel 1978).

Identification frames the reference to personal values, aims, and principles (Ashforth et al. 2008), so it affects individual-level behaviors and actions (Tajfel 1982; Hogg et al. 1995). According to the social identity theory (SIT), individuals regard themselves as members of a group, nation, community, religious affiliations, and so forth (Brammer et al. 2007; Hogg and Abrams 1988). They state that individuals compare themselves and the group which they belong to with other individuals and groups. Consequently, people feel belonging to their group which can be the significant predictor of individuals' motivation (Ellemers 2001; Ellemers et al. 2004).

Social identity theory assumes that a person demands a positive personal identity which would enable them to acquire a positive social identity, since positive social identity is the outcome of positive personal identity (Liu et al. 2011). According to SIT, it may be expected that corporate social performance increases employee motivation, retention, and attention because employees tend to strongly identify with positive organizational values (Peterson 2004). Social identification is the result of personal self-enhancement processes (De Roeck et al. 2014). According to theory, in this process, individuals try to be a member of attractive, exclusive, well-regarded organizations, and they achieve self-esteem and positive self-regard. In accordance with this theory, organizational identification is someone's identifies himself/herself with his/her organization (Ashforth and Mael 1989). According to another definition, organizational identification is someone's experience to perceive their organization's success or failures as their own success or failure (Mael and Ashforth 1992).

Many studies on organizational identification consider this concept as a stable structure because it is fundamental, unique, and stable within the organization (Glavas and Godwin 2013). If an individual's sense of organizational membership is stronger than other identities and they believe that there are similarities between their personality and the organization, they will develop a strong organizational identification (Dutton et al. 1994). Organizational identification is maintained when a person combines beliefs about his/her organization into his/her identity (Pratt 1998). While explaining the employee organizational identification, the main rationale of the social exchange variables is that the employees have an obligation to respond to the organization with a socio-emotional connection, in situations where organization provides its employees with certain socio-emotional needs (He and Brown 2013).

4.3 The Definition and Historical Development of Corporate Social Responsibility

Social responsibility has a cost, and it is originally based on humanitarian obligations for employees, customers, and others (Ma et al. 2017). Corporate social responsibility (CSR) is not a new issue for academic studies, and it is mostly popular in the fields of marketing and management (Yue 2016). With the increasing competition in the global economy and international management, corporate social responsibility has gained greater significance (Chen and Zhang 2016). Chen and Zhang (2016) state that corporate social responsibility has been seen as a strategic attitude and practice. According to Chen and Zhang (2016), the CSR concept and related literature have a long history. Firstly, Bowen (1953) wrote a book named "Social Responsibilities of the Businessman" and proposed the social responsibility theory. The author claims that there is a certain relationship between businesses and society.

According to some authors, corporate social responsibility is a concept whereby organization managers set policies for social responsibility and feel responsible for implementing their policies for social aims and values (Barakat et al. 2016). CSR is based on three fundamental ideas in the study of Frederick (2006). These fundamental ideas suggest that executives of an organization take into consideration the public, support competition with corporate resources, and do voluntary activities as a reflection of working life support to social welfare. Aguinis (2011) who is known for his studies on these questions defines CSR as "special organizational activities and policies considering economic, social, and environmental performance at the frame of stakeholder expectations." According to these definitions, CSR is also a concept that improves the life standards of society, leads the organization to behave ethically and helps the growth of countries (Holme and Watts 2000).

According to Carroll (1991), CSR has four indicators which are economic, legal, ethical, and philanthropic (Ilkhanizadeh and Karatepe 2017; Lee et al. 2013). Making a profit, competing with other firms, efficiency in operating activities, etc. constitute the economic indicator of CSR, while obeying the rules and regulations are legal indicators of CSR (Carroll 1991; Lee et al. 2012). Ethical indicators are related to the knowledge of ethical norms and being respectful to them; philanthropic indicators are related to be acting as good corporate citizens (Ilkhanizadeh and Karatepe 2017).

The first argument of the CSR model is that firms should be responsible for making a profit (Yue 2016; Mahenthiran et al. 2015) and reaching their economic aims (Kim et al. 2017). Company managers should concentrate on serving the economic goals of the company and its shareholders and make these goals sustainable despite the impacts of society (Mouly Potluri et al. 2010). Profit strategies and efficient operation are financial indicators. Thus, shareholders gain profit and employees can work (Evans and Davis 2014).

Secondly, companies should obey the rules (Yue 2016) and operate their activities legally (Kim et al. 2017; Mahenthiran et al. 2015). Managers have to abide by the law by avoiding pollution, selling harmful products, and giving wrong information to investors (Mouly Potluri et al. 2010). Obeying the rules and being loyal to regulations in all company departments are legal responsibilities (Evans and Davis 2014).

Thirdly, companies should be ethical to provide equity (Yue 2016), should respect ethical rules even if there is no regulative rule (Kim et al. 2017), and ethical standards may not serve the economic goals of the company (Mouly Potluri et al. 2010). They exemplify these ethical responsibilities such as discouraging the consumption of detrimental goods protecting the nature or supporting indigent groups. Evans and Davis (2014) also exemplify these responsibilities treating the stakeholders fairly and being transparent in decision making. Mahenthiran et al. (2015) state that ethical responsibilities are voluntary acts, and there are no certain standards regarding the definition of ethical rules. They argue that social expectations affect and encourage companies' social participation.

Lastly, companies should serve society by demonstrating philanthropic responsibilities (Yue 2016). This category of responsibilities can be named as discretionary or voluntary (Mahenthiran et al. 2015). According to Mouly Potluri et al. (2010), discretionary responsibilities such as unrequited donations, being a sponsor of some activities, or supporting charities are completely voluntary. Other examples for voluntary responsibilities include work–family support programs (Evans and Davis 2014).

4.4 The Relationship Between Corporate Social Responsibility and Organizational Identification

According to Fombrun (1996), employees impact people's ideas about their company's CSR. Although employees are very important in terms of the company perception, there are few studies on CSR using micro-level analysis (Rupp et al. 2006). However, Aguinis and Glavas (2012) recommended further research on CSR's effects at the individual level. While Turban and Greening (1997) stated that companies which had a better performance on CSR could be regarded as more attractive, some studies tried to investigate the CSR effects on employees' behaviors (Yue 2016). According to Yue (2016), social identity theory is the most fitting theory to make an analysis of CSR at a micro-level. The author states that identity and identification terms are still vague and recommends future studies concentrate on impact of employees perceived CSR on organizational identity by using group engagement model.

The social identity theory which was presented by Tajfel and Turner (1979) helps to justify the relation between external CSR and individual's positive outcomes (Esmaeelinezhad et al. 2015). According to the social identity theory, members of the organization hold two types of opinions regarding their organization and these opinions define their organizational identification (Dutton et al. 1994). According to Peterson (2004), if a company has a positive image, its employees have a better feeling of identity. On the contrary, companies which have a negative reputation in CSR affect employees adversely.

Van Knippenberg and Sleebos (2006) have found that employees' behaviors are more positive when individuals identify themselves with the organization. Social identity theory shows that a company's CSR activities directly affect employees' organizational identification (Esmaeelinezhad et al. 2015). When organizations accept their responsibility and social engagement, employees identify themselves with their organizations (Gond et al. 2010).

External CSR (e.g., supporting a charity) can be regarded as an extra dimension of product quality or as a signal for invisible product quality (Calveras 2013). According to the author, external CSR may consist of ensuring trust which is valuable for consumers or can be a message to customers that the products are high quality. However, internal CSR does not affect the opinion of customers. It is about employees and it increases their productivity. Internal CSR (CSR toward employees) is also important in terms of organizational identification. According to Esmaeelinezhad et al. (2015), internal CSR consists of activities that enhance employees' welfare, support them and provide good working conditions. They stated that CSR toward employees can strengthen employees' self-respect and status. He and Brown (2013) argue that employees that have higher identification with their organizations devote themselves to their work because they think it is useful for both the organization and the employees themselves. Consequently, both internal and external CSR have a positive impact on the perception of employees (Bhattacharya et al. 2008). Mozes et al. (2011), Dutton et al. (1994) support the idea that there is a positive relationship between organizational identification and CSR according to social identity theory. The study of Santhosh and Baral (2015) examines CSR activities toward four stakeholders which are employees, customers, community and environment and its effects on employees. They point out that CSR can help employees for identification with their groups or companies and shape their behaviors toward the organization. According to the authors, this question can be examined very well by using social identity theory.

According to He and Brown (2013), in addition to the studies on the impacts of CSR on organizational identification, especially, employee organizational identification should be researched more and the role of organizational identification as well as the effects of CSR in the workplace should be investigated. Social identity theory proposes the causes of CSR's positive effects on organizational characteristics which are perceived by the members of the organization (Kim et al. 2017). According to SIT, self-identity which is conceived by individuals is grounded in their social groups such as the organizations where they work (Ashforth and Mael 1989; Dutton et al. 1994). SIT suggests that people interpret their identities in terms of their connection with individuals in various social contexts (Im et al. 2016). Some questions like "who are we" and "how good are we" shape employees' identity; thus, people who work in an organization with a positive reputation can improve their self-concept (Maignan and Ferrell 2001). Even if an organization's CSR activities are not about employees, they perceive positive organizational characteristics according to SIT (Kim et al. 2017). Kim et al. (2017) state that CSR and working conditions help both attract successful employees and increase their identification and commitment. Similarly, Kim et al. (2010) suggest that CSR directly enhances the organizational identification among the employees (Hamid and Zubair 2016). De Roeck et al. (2016) suggest that employees' perceptions of CSR can affect their beliefs about the prestige of the organization and employees' pride from organizational membership. The study of Im et al. (2016) suggests that CSR activities are positively related to job satisfaction, organizational identification, and organizational commitment. According to the researchers, present literature has found that CSR positively influences workplace attitudes and behaviors such as organizational identification.

There are several researches which argue that CSR has a positive impact on employee satisfaction, employee morale, and organizational identification (Brammer et al. 2007; Mozes et al. 2011). Nevertheless, there are not many studies that focus on the impact of CSR on employees' motivation and identification with their organization (Skudiene and Auruskeviciene 2012). According to the study of Bartel (2001), senior position employees have a higher self-esteem in relation to their employers, are more focused on teamwork, have demonstrate more effort, and develop a stronger organizational identity. Carmeli et al. (2007) found that corporate social-based prestige affects employees' organizational identification more positively than market or financial performance-based prestige. According to the authors, employees who identify themselves with a particular organization show better performance.

In designating on organizational identification, perceptions of employees about company CSR are more critical than organization's actual CSR activities (Glavas and Godwin 2013). If a company's CSR performance is perceived well by employees, their self-identity will be connected to values and view of the company, so the level of organizational identification will be high (Yue 2016). The study of Jones (2010) firstly argues that responses of employees are not comprehended well enough regarding why companies appear to "do well by doing good." According to the author, there is a limited number of researches about CSR perception and outcomes of employees. In addition, Jones (2010) states that hypotheses about organizational identification and social exchange theories are not tested in the same study. Although it is thought that perceived CSR is related with organizational identity, some studies also show that the precise nature of this relationship is not comprehended accurately (De Roeck et al. 2016). Kharisma thinks that as long as employees are satisfied with their jobs, they identify with their organizations even if companies implement the external CSR programs. The study of Evans and Davis (2014) argues that three types of corporate citizenship perception which are philanthropic, economic, and ethical are important indicators of organizational identification. Kim et al. (2010) show that employee perceptions about employer's voluntary initiatives to the society affect the perceived external prestige positively which leads to organizational identification.

In the previous sections, organizational identification and CSR dimensions were mentioned theoretically. Furthermore, these concepts were examined with variables such as tenure, corporate citizenship, and organizational loyalty in researches studying the relationship between organizational identification and CSR extents. Few studies have been conducted in Turkey studying the relation between these concepts. Thus, it is thought that this research can serve as a source for future studies. In the next section, the research examining the relationship between the identification of employees and CSR activities, and the application to employees in public and private sector will be discussed.

4.5 A Research Study on the Impact of Perceived Corporate Social Responsibility on Organizational Identification

4.5.1 Purpose and Importance of the Research Study

The aim of this research is to analyze the effect of corporate social responsibility activities on employees' identification with their organizations. Therefore, the relation between corporate social responsibility activities and employee's identification with their organizations will be analyzed clearly and important information will be provided to business managers. Meanwhile, explaining the aspects of employees' perceptions of organizational social responsibility and the levels of organizational identification are also identified as the sub-objectives of the research. Thus, the effect of the importance which organizations attach to social responsibility activities on employee's identification to their organization will be examined and by obtaining information about the evaluations of corporate social responsibility, it will be possible to help employees' identification. Another purpose of the study is to determine whether employees' perceptions of corporate social responsibility differ according to demographic variables (gender, age, etc.). This study is important due to the lack of similar empirical researches to be held on this subject in Turkey. On the other hand, this research is significant in respect to uniting the organizational behavior with the discipline of human resources.

4.5.2 Sampling and Data Collection

The population of the research is composed of public and private sector employees. Convenience sampling method was used in the research. With the purpose of conducting a large-scale study, various sectors were included in the research. According to labor force statistics of the year 2016, the number of employees working in Turkey is 27.205.000 (biruni.tuik.gov.tr). While the sampling of the research was expected to be a minimum of 119 participants, 130 employees participated in the research voluntarily with 95% confidence level and with 9% margin error.

Data were collected with survey method. The questionnaire form is composed of two scales and a personal identification form. The scale of corporate social responsibility perception was gauged with a 22-item scale improved by Özdemir (2007) and organizational identification was gauged by a 6-item scale developed by Mael and Ashforth (1992). Questionnaires were filled in by answering the questions on demographic characteristics (age, gender, education status, position, seniority, etc.). The scale used in the research to evaluate corporate social responsibility perceptions of employees has been developed by Maignan and Ferrell (2000) and the Turkish version of the scale has been validated by Türker (2006). The scale appraised perceptions about four dimensions (economic, legal, ethical, and voluntary) of corporate social responsibility with 22 statements. Responses to the statements in the scale were arranged on a 5-point Likert scale. The evaluations were conducted by giving five points to strongly agree, one point to strongly disagree.

The questionnaire forms were applied by researchers to both working and studying students enrolled in a non-thesis master's program in business administration of a state university. Questionnaire forms were manually distributed and collected by the researches and at the same time, an online version was also made possible.

4.5.3 Data Analysis

All of the items in the questionnaire related with perceived corporate social responsibility and organizational identification are evaluated by a 5-point Likert scale ("*1: strongly disagree*" *to* "*5: Strongly agree*"). The data were analyzed using SPSS for Windows 18.0 package program. Organizational identification scale has been translated into Turkish from its original version by the researchers and after that it has been retranslated into English in order to provide language validity (Brislin et al. 1973). Afterward, the reliability values of the scales have been calculated. Cronbach Alpha value is determined as 0.958 for social responsibility scale and 0.907 for organizational identification scale. These scales have been evaluated to be reliable in terms of social sciences (Kayış 2005). Furthermore, correlation and regression analyses have been used for the hypothesis tests.

4.5.4 Findings and Interpretation

The demographic information on research participants is specified in Table 4.1. When Table 4.1 is examined, it is seen that 58.5% participants were male. In the sectoral range, it can be seen that 89.3% were working at private sector. It was also determined that 56.2% were working in managerial positions.

The descriptive statistical analysis related to the variables which have been addressed in the research is given in Table 4.2. According to Table 4.2, employees' perceptions about CSR activities are close to the answer; "I agree" with a mean value of 3.44 (sd: 0.85). In terms of dimensions, the legal responsibilities mean is the highest score. Thus, it can be concluded that employees have a positive perception of the organizations' CSR activities—Results are also similar for organization identification variable, and employees have generally answered "I agree."

In order to test whether there is a relation between CSR activities and organizational identification or not, Pearson correlation analysis is used. It is determined that there is a strong and positive relation between CSR activities and organizational identification (r: 0.65, $^{**}p < 0.01$). Besides, it is determined there is a statistically significant and positive correlation between extents of CSR scale.

In the research, regression is used to test the hypothesis; "*H_1: CSR activities affect organizational identification*." As a result, 41.8% explanatory effect of corporate

Table 4.1 Demographic characteristics/or profile of the research participants

Variables		*f*	%
Gender	Male	76	58.5
	Female	52	40.0
	No response	2	1.5
Education	Undergraduate	102	78.5
	Graduate	26	20.0
	No response	2	1.5
Sector	Public	12	9.2
	Private	116	89.3
	Not response	2	1.5
Position	Non-managerial	54	41.5
	Managerial	73	56.2
	No response	3	2.3

Table 4.2 Descriptive statistics

Variables	Mean	sd
CSR (overall scale)	3.44	0.85
Economic	3.47	0.88
Legal	3.74	1.08
Ethical	3.47	0.91
Philanthropic	3.14	1.01
Org. identification	3.37	0.93

$N = 130$

social responsibility activities on organizational identification has been determined. In this case, the research has shown that CSR activities have a positive impact on organizational identification (Tables 4.3 and 4.4).

H_2: Dimensions of CSR perceptions affect organizational identification.

In addition to the relationship between CSR activities and organizational identification, whether CSR perception varies according to demographic variables is also analyzed (Table 4.5).

H_{2a}: CSR perception varies according to gender.

According to the *t*-test analysis of differences in CSR perceptions by gender, it is seen that CSR perceptions do not differ by gender (p: 0.83 > 0.05). In this context, when the definitive statistical results are examined, the mean values have been calculated as 3.46 (sd: 0.83) for males and 3.43 (sd: 0.89) for females. In this respect, it can be concluded that male and female participants perceive CSR activities in the same way. Consequently, the hypothesis H_{2a} is rejected.

Table 4.3 Correlations

	CSR	Economic	Legal	Ethical	Philanthropic	Org. identification
CSR	1					
Economic	0.889**	1				
	0.000					
Legal	0.893**	0.821**	1			
	0.000	0.000				
Ethical	0.966**	0.818**	0.842**	1		
	0.000	0.000	0.000			
Philanthropic	0.786**	0.506**	0.527**	0.738**	1	
	0.000	0.000	0.000	0.000		
Org. identification	**0.650****	**0.668****	**0.606****	**0.636****	**0.385****	1
	0.000	0.000	0.000	0.000	0.000	

There is a high positive relationship between CSR and organizational identification and economic, legal and ethical dimensions. In the dimension of philanthropic, a moderate relationship has been found in the positive way
**$p < 0.01$, $N = 130$

Table 4.4 Coefficients

Independent variable	R^2	Adj. R^2	F	t	p
CSR	0.423	0.418	93.745	9.682	0.000***

CSR explains about 42% of the organizational identification
***$p < 0.001$; a. Dependent variable: Org. identification

Table 4.5 Coefficients

Independent variable	R^2	Adj. R^2	F	t	p
Economic	0.475	0.458	28.235	3.246	0.002**
Ethical				2.029	0.000***

Only the economic and ethical dimensions of CSR explain the organizational identification. The rate of explanation is 45.8%
***$p < 0.001$, **$p < 0.01$; a. Dependent variable: Org. identification

H_{2b}: The CSR perception varies according to position.

According to the *t*-test analysis of differences in CSR perceptions by position, it is found that CSR perceptions do not differ by position (p: 0.12 > 0.05). In this context, when the definitive statistical results are examined, The mean values have been calculated as 3.59 (sd: 0.76) for males and 3.55 (sd: 0.91) for females. In this manner, it can be seen that position does not lead to any difference on the perception of CSR activities. Consequently, the hypothesis H_{2b} is rejected.

H_{2c}: CSR perception varies according to age.

According to one-way variance analysis of differences by age, CSR perceptions do not differ by age (p: 0.51 > 0.05). In this context, when the definitive statistical results about age effect on CSR perceptions are examined, the mean values have been calculated as 3.37 (sd: 0.88) for 18–25 age group, 3.42 (sd: 0.87) for 26–33 age group, and 3.64 (sd: 0.76) for 34 over age group, and it can be seen that these rates do not indicate a statistically significant difference. In this manner, it can be seen that age does not lead any difference on the perception of CSR activities. Consequently, the hypothesis H_{2c} is rejected.

H_{2d}: CSR perception varies according to seniority.

According to one-way variance analysis on differences by seniority, it is seen that CSR perceptions differ by seniority (p: 0.049 < 0.05). In this context, when the definitive statistical results about the impact of seniority on CSR perceptions are analyzed, the mean scores have been calculated as 3.32 (sd: 0.88) for employees who have less than one year seniority, 3.55 (sd: 0.79) for employees who have 1–5 years seniority, 3.87 (sd: 0.89) for employees who have six and over years seniority, and it can be seen that these rates do not indicate a statistically significant difference. So, it can be said that seniority leads to a difference in employees' CSR perceptions. The hypothesis H_{2d} is accepted. When the direction of the difference is examined, it can be concluded that there is a difference between employees who have less than one years and who have six and over years professional experience.

4.6 Conclusion

The social responsibility of organizations is an issue that has been discussed for many years and has been addressed for nearly half a century. The reason for this is that organizations are gaining an institutional structure, their areas of influence are increasing, and it is already accepted that they are responsible for society (Özalp et al. 2008). CSR, which is a reflection of this responsibility, has become a valuable component of the stakeholder theory through the volunteer activities of the managers. CSR states that organizations are a social entity and responsible for the society they are engaged with. The social environment of the business is composed of customers, suppliers, employees, shareholders, competitors, government, and investors (Çaliskan and Ünüsan 2011). At the same time, the CSR is used to make a positive social change through policies and activities for people who are outside the organization and to explain the purpose of the organization (Aguinis 2011; Hansen et al. 2011). Organizations have come under increasing pressure to implement social responsibility activities after CSR. In this context, CSR has started to be viewed as an organization's behavior commitment that leads to economic development and contributes to the welfare of its employees and society as a whole (Mikołajek-Gocejna 2016).

The concept of identification has been shaped within the framework of the social identity theory. According to this theory, each individual is motivated by the need for the positive image that arises from belonging to social groups. Therefore, social identity and identification are parts of a self-concept that develops after being a member of a social group, brings value to the member as well as emotional importance

(Garcia-Falieres and Herrbach 2015). Identification with the organization refers to the psychological attachment of the individual to his/her organization and its structure (İsmail and Bebenroth 2016). In this context, the question of how employees can identify with their organizations and the role of corporate social responsibility activities in this process constitute the main point.

The research has been conducted with the aim of determining the impact of CSR activities on organizational identification from employee perspective and employees from public and private sector participated in the research voluntarily. As a result, 42% explanatory effect of corporate social responsibility activities on organizational identification has been determined. Furthermore, the effect of ethical and economical responsibilities which are sub-dimensions of corporate social responsibility activities on organizational identification has been detected. The effect of these two factors on perception of social responsibility is 46%. According to these results, it is seen that giving importance to corporate social responsibility activities could be influential on the organizational identification of employees. Ethical and economic activities especially have a quality that creates a difference on identification. Another aim of this research is whether perceptions of CSR depended on demographic variables or not. In this study, it has been observed that CSR varies according to seniority variable. It has been seen that senior employees especially perceive CSR activities better while this is not the case with inexperienced employees. However, perceived CSR does not differ according to gender, age, or working status.

It is not possible to generalize the results for all businesses since the obtained information is limited to the employees. However, it contains premise data for further research. It will be useful to improve this study and investigate other sector employees as it will provide an opportunity to make a comparative analysis.

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Chapter 5
The Contribution of the UNGC to Develop CSR Strategies in Higher Education Industry: A Case Study

Gresi Sanje and Eser Levi

Abstract United Nations Global Compact, a global corporate responsibility initiative launched by United Nations in 2000, has more than 12,000 corporate participants and other stakeholders from over 170 countries. Becoming the largest voluntary corporate social responsibility initiative in the world and having approximately 440 academic participants, UNGC published "UNGC for Higher Education Institutions" (HEI), a guide book for higher education institutions in implementing the ten principles of the UNGC within the organization and then leading their global adoption. Although UNGC has been criticized both as a failure and as a success in the literature, with respect to both criticisms, this paper will discuss the opportunities offered by UNGC for HEI to Universities in their CSR practices. This study makes two main contributions with the evidence from Istanbul Bilgi University case: (1) discuss the effectiveness of UNGC as a guideline for universities in developing CSR practices in their business operations and (2) discuss how UNGC helps to make universities' CSR implications visible.

Keywords CSR · UNGC · Higher education

5.1 Introduction

Businesses nowadays should not simply function by their products and services, but they must accept their corporate responsibilities being an integral part of their brand personalities. In the capitalist system that we live, it is almost impossible not to be skeptical on the philanthropic aspects of such actions. On the other hand, we should all agree that we need such actions, even though they have an ulterior motive of profit

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at heart. For the reasons stated earlier, we must accept that all initiatives supporting and encouraging corporate social responsibility (CSR) actions invaluable.

United Nations Global Compact (UNGC) began its journey by putting CSR growth and influence in its core had the urge to separate business and ethics literature into two different points of view. One group of scholars claim that UNGC acts as an extensive and well-organized initiative that guides businesses in launching, implementing, and developing CSR actions in order to serve for the well-being of all kinds of stakeholders. Nevertheless, according to the negative point of view, UNGC is considered as a failure since it is not legally bonding and tightly audited, and therefore, does not have sanctioning power. A number of these critics, however, still agree that businesses from various sectors should be examined in order to evaluate the contribution of UNGC in implementing CSR activities (Runhaar and Lafferty 2009; Knudsen 2011; Baumann-Pauly and Scherer 2013). Within this scope, investigating the impact of UNGC on businesses' CSR actions through a university case would be quite beneficial since the education industry inherently should to be engaged with social responsibility.

The main purpose of this research is to show that UNGC can serve as an effective guideline for businesses in implementing CSR activities. As for the structure of this study, a comprehensive review of the literature will be provided at first. UNGC and its conjunction with CSR will be examined; how scholars including both the critics and the supporters of the compact will also be covered. Secondly, the relationship between the CSR practices of UNGC and higher education institutions will be examined. Then the methodology will be explained following the findings of the data collection regarding Istanbul Bilgi University case. Lastly, the discussion in light of both the literature and the findings of the study will be presented.

5.2 Literature Review

5.2.1 The Contribution of UNGC to CSR Implementations of Higher Education Institutions

5.2.1.1 UNGC as a CSR Development Tool

Corporate social responsibility (CSR) is defined as "the obligation of the organization to act in ways that serve both its own interests and the interests of its many stakeholders" (Schermerhorn 2010: 73). CSR programs aim to replace profit making to a voluntary contribution to the social, economic, and environmental betterment (Muijen 2004; Atakan and Eker 2007; Christensen et al. 2007; Berliner and Prakash 2014). Even though it is beneficial for many stakeholders, CSR can be seen as an insincere cover and therefore criticized for being used as tool to avoid bad publicity (Runhaar and Lafferty 2009), a gain to sustain competitive advantage and even as a source base for profiting through positive reputation (Atakan and Eker 2007).

Launched in 2000, United Nations Global Compact (UNGC) is an initiative that aims to generate socially responsible corporations with the help of predetermined requirements. Defined as the world's largest CSR program (Knudsen 2011), UNGC is composed of more than 12,000 participants from 170 countries around the world (UNGC 2017). The participants consist of companies, NGOs, governments, academic institutions, and other stakeholder groups (Runhaar and Lafferty 2009). The membership of the compact is a promise of the participant companies about internalizing corporate citizenship approach and regulating their strategies and actions in accordance with ten principles. The ten principles in question are grouped under four main issues as human rights, labor, environment, and anti-corruption (Janney et al. 2009). The principles function as essence and suggestion base for call to actions to the UNGC signatories whereas the classification intends to help companies for organizing their general actions. Furthermore, in order to sustain development for companies and build good cases for all UNGC stakeholders, UNGC asks signatories to publish an annual Communication on Progress (COP) report. By the report, the activities held by the company regarding the four issues and the measurement of the outcomes can be provided, audited, and publicly announced (Voegtlin and Pless 2014). Contrast to many other CSR initiatives, UNGC expects self-assessment and reporting from the companies (Berliner and Prakash 2014). There are strict deadlines about the submission of the COP reports and when companies fail to do so, they are identified by the compact and end up being delisted (Janney et al. 2009). Four thousand companies have been removed from the list of participants for failure to communicate progress since the beginning (Williams 2014). Yet as Knudsen (2011) underlines, the compact is easy to join, but hard to remain listed.

The UNGC gains an increasing attention in the business and ethics literature. The ongoing discussions about the effectiveness of the compact are quite equivocal. Several scholars approach UNGC with skepticism, evaluating it as being useless and even malevolent. One of the most remarkable criticism issues directed to the compact can be defined as "low entry barriers." Sethi and Schepers (2013) suggest that the ten-year progress claimed by UNGC is about the increase in the number of signatory companies but that means any company willing to join, whether performing adequately or not, is welcomed. The voluntary nature brings the risk of bypassing the philanthropic intentions (Runhaar and Lafferty 2009) and allows shirking of irresponsible companies (Berliner and Prakash 2014). The aforementioned actions amount to an increase in quantity, but a decrease in quality (Voegtlin and Pless 2014). That is to say, the wider the compact gets, the shallower it becomes in their opinion. The auditing mechanism is another issue that is being evaluated as unsatisfactory. According to Sethi and Schepers (2013), the staff remains insufficient for reviewing the COP reports in detail and supervising practices held by companies. Similarly, Berliner and Prakash (2014) and Voegtlin and Pless (2014) assert that the monitoring system is inadequate. Moreover, intangibility seems to be another problem of the compact detected by some scholars. Sethi and Schepers (2013) question the efficiency of UNGC, which in their opinion fails to enable companies performing effective CSR and adopting the principles into their policies. Accordingly, Runhaar and Lafferty (2009) and Berliner and Prakash (2014) suggest that the direct contribution of UNGC to the improvement of CSR implementations is a debatable opinion. While the compact provides positive reputational benefit to firms (Janney et al. 2009), some of the criticism revolves around the greenwashing function of the compact (Runhaar and Lafferty 2009). Some companies do not make a worthwhile implementation and benefit from the compact to gain positive corporate image (Voegtlin and Pless 2014) using it as a PR tool (Berliner and Prakash 2014). The non-supporting arguments mentioned above generate the inference that the UNGC has a design problem (Berliner and Prakash 2014), which results in the failure of the fulfillment of compact's key mission.

A number of appreciative scholars give their support for the compact despite the criticism stated earlier. They evaluate discredited low entry barriers as an advantage in spite of preconceived notions (Haack and Scherer 2014; Rasche and Waddock 2014; Williams 2014). Williams (2014) stated low entry barriers lead to an increase of participant companies resulting in the greater gathering of different minds enriching discussions on ethics. Likewise, Rasche and Waddock (2014) assert that the compact should not exclude businesses with low levels of experience and resource. Unfortunately, UNGC is anticipated as a flawed program due to its mild-mannered attitude in some instances, whereas some scholars accept this as a favorable feature. Haack and Scherer (2014) utilize the metaphor of family in depicting the UNGC, presuming the compact as a family, headquarters as parents, and business participants as children. They suggest that UNGC should not work with a strict father model, but it can only be effective with a nurturing parent model. Strength, discipline, and punishment create an aggressive environment, while an empathizing softer approach renders participants to be self-disciplined. Berliner and Prakash (2014) also suggest that imposing strict rules is against the nature of the compact, as it focuses on the process instead of the outcome. In similar vein, Williams (2014) highlights that the compact is not a code of conduct, but a platform to help companies gain consensus on ethical norms while Rasche and Waddock (2014) mention that the consensus-building approach serves to attract the attention of companies in which the CSR agenda is still emerging. In regard to the criticism about the auditing mechanism, Runhaar and Lafferty (2009) claim that COP reports constitute a sanctioning power on the implementation of principles and accordingly Williams (2014) points out even if checking the accuracy of data presented is difficult, the insidious firms may easily be revealed by NGOs and press. With regard to the criticism about the prestige-gaining and greenwashing function of the compact, Williams (2014) draws the attention to an interesting point by referring to more than four thousand delisted companies, which in his opinion does not see the prestige provided by the compact as that worthy. Apart from all these, according to Rasche and Waddock (2014), although critique is necessary for further improvements, hard, one-sided, and destructive criticism ignores the compact's achievements. Berliner and Prakash (2014) suggest that it is quite normal for UNGC to be far from perfect, as all rule structures are imperfect, and it deserves respect as it carried the CSR issue on the global policy agenda.

The supporting argument evaluates the compact as a well-defined and consistent initiative that shapes and promotes CSR practices (Janney et al. 2009; Berliner and Prakash 2014). It constitutes a learning platform (Runhaar and Lafferty 2009), which guides the businesses developing CSR engagements through idea exchange about the responsibilities of corporations (Voegtlin and Pless 2014). While serving to generate a consensus on global ethical values, the UNGC brings a new institutional infrastructure to CSR and makes it globally visible (Voegtlin and Pless 2014; Williams 2014). UNGC fulfills the crucial need for a platform to discuss and circulate experiences about CSR issues (Runhaar and Lafferty 2009) requested by concerned citizens, NGOs, and even some members of the business community (Williams 2014). In light of these opinions, it is possible to say that several scholars came to a conclusion that, despite the whole criticism, UNGC is the most functional initiative available so far and its progress is applaudable (Williams 2014).

5.2.1.2 CSR in Higher Education Institutions and the Contribution of UNGC

College education is one of the most important aspects shaping the basis of individuals behaving in their professional lives. The only aim of a university is not simply preparing an individual for a professional career, but to raise ethical beings by evoking virtues like honesty, benevolence, fairness, and so on (Atakan and Eker 2007). Universities help shaping lifelong values and the way students perceive their surroundings. The ethical perspective, which triggers the organizations in terms of implementing CSR to bring a more humane society, is achieved at universities (O'Connell 1998; Muijen 2004).

In the pursuit of training responsible managers and employees of the future, universities bear the burden of teaching ethics and social responsibility, especially in majors related to businesses and corporations. Nevertheless, responsibilities of a socially sensible university cannot be limited with the educational content. Universities' share regarding CSR issues must go far beyond teaching ethics and social responsibility. The major obligations of the higher education institutions to all kinds of stakeholders are counted by Lozano (2012) as; helping the students gain a critical way of thinking, not simply transmitting knowledge, encouraging the pursuit of knowledge for one's own sake, not for money and power, promoting commitment to economic, political, social, and cultural problems, providing equal opportunities and free space of dialogue to all members, transparently communicating all the actions, letting the members participate in the decision-making processes, and so on. Therefore, it is possible to say that contributing to the societal well-being should be at the core philosophy of the university. Pleasing all kinds of stakeholders is the duty of the university if it describes itself as socially responsible. According to Muijen (2004), a compliance strategy is not enough, but a cultural change is needed for a thorough CSR understanding. Furthermore, Lozano (2012) asserts that the moral climate of an institution has a major influence on ideas, values, and behaviors. It is not only the education the university offers, but also the mission it states that renders individuals thoughtful and sensitive to their surroundings. On the other side, CSR implementations may not always be realized with goodwill, even in higher education institutions. Atakan and Eker (2007) state that the augmented competitive nature of private universities leads them to take socially responsible actions. Nevertheless, CSR actions eventually serve the societal well-being, despite the ambiguity of good faith or a profit motive in the path of gaining a good reputation and competitive advantage.

Ethics and social responsibility are among the prominent issues on the higher education agenda both corporate-wise and student-wise. Christensen et al. (2007) studied the rate of universities giving place to CSR lead to the findings that the top-rated global MBA programs mostly include courses about ethics, CSR and sustainability within both required courses and elective courses. Further findings indicate that students are getting much more interested in ethical subjects, which reveal higher education institutions having a growing tendency towards placing CSR on the agenda. For this reason, UNGC launched a publication called "A Practical Guide to the United Nations Global Compact for Higher Education Institutions" in 2012. According to the guide, higher education institutions play an important role in both contributing to the well-being and being a role model for its stakeholders. Especially when the ecological, social and financial crises in today's world are considered the universities' share in laying emphasis on being responsible citizens becomes more critical. Adopting the CSR understanding not only to the course content but to all the actions held by the university, integrating the UNGC principles to the decision-making processes as well as to the campus culture and communicating regularly with the stakeholders regarding the progress made to implement the principles are among the core responsibilities of a signatory university due to the guide (UNGC 2012).

5.2.2 IBU's CSR Philosophy and UNGC

Founded in 1996, Istanbul Bilgi University is a private non-profit university located in Istanbul, Turkey. The university currently has more than 1000 academic staff members, seven faculties (Faculty of Architecture, Faculty of Business, Faculty of Communication, Faculty of Engineering and Natural Sciences, Faculty of Health Sciences, Faculty of Law and Faculty of Social Sciences and Humanities), four schools (School of Applied Sciences, School of Aviation, School of Sports Sciences and Technology, and School of Tourism and Hospitality), three vocational schools (School of Advanced Vocational Studies, Vocational School of Health Services, and Vocational School of Justice), more than 150 programs and 25,000 active students and as of 2016, the university has approximately 30,000 graduates (IBU 2016a).

Started with one campus and owned by two Turkish entrepreneurs, in 2006 IBU became a member of the Laureate Network (IBU 2014a) and as of 2016 operating in five campuses, where four of them is located in different parts of the city and one campus in Bursa (IBU 2016a). Three of the campuses of IBU are located in Kustepe, Dolapdere, Eyüp. The common point of these districts can be defined as its habitants being composed of low-educated and low-income immigrants from other regions of Turkey (Atakan and Eker 2007). This intentional decision is strongly related to IBU's philosophy. Since its foundation, IBU positioned itself as a socially responsible university therefore placed the campuses on areas that are in need of improvement both socially and economically. This settlement policy aimed to serve in reforming the inhabitants' life standards in various ways.

The mission and vision reveal the tendency of the university toward social responsibility (Muijen 2004). IBU's mission statement emphasizes the importance of educating the individuals with respect to the rules of ethics, awareness of social responsibility, and eagerness to serve the society while vision specifies the desire for taking a lead in the development of society. On the other side, some of IBU's values are counted as respect for universal rights and freedoms, respect for pluralism and diversity, transparency and accountability, and social responsibility. Moreover, one of the principles of IBU stands out as "IBU gives importance to its students and alumni becoming people who are sensitive to and assume responsibility for the problems of society and the world" (IBU 2013). Atakan and Eker (2007) assert that the corporate identity of IBU encapsulates philanthropy and voluntary initiatives in social responsibility.

Scrutinizing IBU's CSR activities, the Atakan and Eker (2007) study finds out that the CSR philosophy that the university adopts served to the (1) contribution to teaching ethics and CSR to its students, (2) contribution to the education of the local and national communities and (3) contribution to the well-being of the local communities. With respect to the first contribution, authors state that several courses about business ethics and CSR can be found in the curriculum of various programs. With respect to the second contribution, authors assert that IBU organizes educational workshops for children in Eastern Anatolia as well as regularly providing gratis courses for the low-educated inhabitants in differing fields such as English language, music, visual arts, human rights, to name a few. Besides, the university gives scholarships for the inhabitants for undergraduate education in IBU. Renovation of buildings, libraries, and computer laboratories of the schools in the district is another contribution of IBU on this topic. With respect to the third contribution, authors take account of the graduation project of Public Relations program, which covers community involvement activities focusing on social problems of the inhabitants. Launching a polyclinic with the collaboration of local municipality, utilization of handcrafts in order to help women gain income, organizing seminars to raise awareness about earthquakes, building a playground for children, improving the streets of the districts are remarkable examples of activities. The projects are being funded by sponsors, which were initiated by the respective students. Another contribution on this topic is the employment provided to the inhabitants by the university, like the cook, driver, security, and guards. Ethics education is not sufficient for IBU, but contributing to the betterment of the society by taking concrete actions is an important principle of the university as well.

Steps mentioned above clearly demonstrate that IBU was already a socially responsible university before the membership of the UNGC and IBU preserved this philosophy after becoming part of the Laureate Network. CSR philosophy was preexisting and it was not just on paper. After two years from the Atakan and Eker (2007) study, IBU became a member of both the UNGC initiative and its subcommittee PRME (Principles for Responsible Business Education) in 2009. Between 2011 and 2014, IBU took part in the preparation of "A Practical Guide to the United

Nations Global Compact for Higher Education Institutions." After giving support to the UNGC for the above-mentioned guide that still serves as a guideline for higher education institutions in implementing the principles of the UNGC, IBU became a member of the National Board of Auditing between 2013 and 2016. Taking an active role in this publication as well as its local auditing process besides usual CSR activities, IBU proves its attitude in achieving a better society by not only educating its students morally responsible, but also contributing to the ethicality of the whole higher education industry.

Stated by the rectorate on the UNGC Web site of the university, IBU embraces a responsible education understanding, aiming to raise responsible world citizens equipped with universal principles (IBU 2010). However, IBU's altruistic motives do not only rest in the philosophy as an imposition; every single unit grasps the sentiment independently as stated by Atakan and Eker (2007). Consequently, after becoming a signatory of the compact, IBU started to manage these CSR activities into a more structured manner and synchronized its cooperate citizenship actions with UNGC's suggestions. Publishing code of conduct and ethics, becoming part of IVF's social entrepreneurship program, making logistical changes for disabled students are some of the actions that were taken after joining the initiative. In this scope, IBU stands as a good example of UNGC's positive effect for encouraging, guiding and regulating the existing enthusiasm and putting a perspective into CSR actions of a higher education institution.

Finally, a study by Lozano (2012) itemizes the requirements of educating responsible managers at universities. He claims that the university should provide students with critical thinking ability. Universities provide this critical thinking ability traditionally by opening courses; at IBU as of 2017, there are 351 courses (9 associate, 223 bachelor, 93 master and 26 Ph.D.) that support critical thinking (IBU 2017a). Searching for truth and knowledge, not for money but for one's own sake is another principle in order to be counted as a responsible educational institution according to the scholar. The motto of IBU is "Non scholae, sed vitae discimus" (we should learn not for school, but for life) and the value statement underscores many other moral virtues besides the success in professional life. The third principle stipulates the commitment to social problems; and as Atakan and Eker (2007) revealed IBU contributes to the social betterment by its choice of logistics and as well as CSR activities. Lozano (2012) continues with free space of communication and dialogue followed by universities must ensure that all members of the university must have an equal opportunity to engage in public discourse. Traditionally, IBU is known by its free speech philosophy and welcoming nature about hosting conference and seminars about controversial public debate topics such as Kurds Beyond Borders: Transforming Spaces and Identities in 2014 (IBU 2014b), Democracy on the Move: Citizenship and Protests in 2015 (IBU 2015); and Child Labor in Turkey: Situation of Syrian Refugees and the Search for Solutions in 2016 (IBU 2016b). Consequently, the last two principles are communicating transparently what universities do and why with stakeholders and supporting effective participation of the members of the university community especially in decision-making process. IBU show its sensibility is such topics as well; in most of the faculty boards, assistant representative joins the faculty board meetings; every academic member of the university including the student can easily reach to top executive levels and in major decision processes, meetings are organized by the university or in some cases independently by members. In light of the above-mentioned information, IBU seems to meet the requirements stated by Lozano (2012) and succeeds in being a responsible university in this respect as well.

5.3 Methodology

5.3.1 Research Framework

The current study aims to discuss the impact of UNGC on CSR activities undertaken by higher education institutions. Through Istanbul Bilgi University case, this research compiles the university's social responsibility initiatives and tries to reveal how CSR activities are adopted and managed with the guidance of UNGC.

The hypotheses of the study are:

H1: UNGC can serve as a guideline for universities in developing CSR practices in their business operations.
H2: UNGC can help to make universities' CSR implications visible.

The case study analysis was carried out as follows:

(1) Primary data was collected by in-depth interviews conducted with relevant stakeholders comprised of both academic and administrative staff members. Semi-structured interviews were done face to face and lasted about 30 min each. The interviews were tape-recorded, then transcribed. The interviewees were asked to talk about the CSR activities of which they were responsible of, and what motives and reasons they have to implement CSR activities. The interpreted findings were shared with the interviewees and crosschecked.
(2) Available secondary data was collected from reports, internal documents, the university web site, and UNGC web site. The findings were analyzed in accordance with the main four issues of the compact.

5.3.2 Findings

As stated before, UNGC should stimulate CSR activities at a university, not only through educational activities, but in business actions as well. The university can be defined as a socially responsible being if business actions are practiced resulting in these actions to be strongly be penetrated into the core philosophy of the institution. The findings of the current study summarize and build IBU's case in both areas through the interviews and both reviews and analyses of the existing materials.

Respectable amount of core and elective courses comprising of social responsibility related topics stand as a proof of IBU's intention to educate students as responsible individuals. Being a member of the UNGC Academic Network, IBU adopted a responsible management education approach to train responsible business people of the future. Numerous courses were offered covering issues like business ethics, social responsibility, sustainability, environment and ecology, social entrepreneurship, human rights, gender studies, labor standards, corporate citizenship, and anti-corruption. Apart from a theoretical lecture approach, various other methods are being used within these courses such as going over case studies, hosting guest speakers, conducting projects with organizations, hands-on projects, real-life cases, and fieldworks (IBU PRME 2015).

PRME was integrated into the curriculum after being a signatory of the initiative and in this respect; the Faculty of Business took an active role since PRME is designed specifically for business education. Some of the courses offered by the Department of Business Administration and Department of Economy are as follows: Experiencing Business in Society (a course that covers issues such as consumption and lifestyles as well as environment, globalization, culture and values, communication, CSR, and ethics), One World Youth Project (a course that examines the world's biggest challenges such as global warming, global hunger, HIV/AIDS, and poverty and aims to take an active role in the project), Corporate Governance (a course in which the content is enriched with powerful movies like "The Corporation" and "Enron"), Projects in Social Entrepreneurship (a course that gives the student the opportunity to work on a real-life issue that addresses a societal need), Business Ethics (a course in which the students are expected to develop a critical approach toward evaluating ethical behavior of organizations), Social Issues and Critical Thinking (a course that aims to improve the analytical skills of students regarding the relationship between economics and sociology, psychology, law and political science), Environmental Economy (a course that covers a wide range of issues like sustainable economy, optimal pollution, environmental standards, measuring environmental damage, global pollution problems, ethics and future generations, environmental policies, green tax reforms, emission trading, and international policies) (IBU PRME 2015).

Furthermore, apart from these courses offered by The Faculty of Business, several other courses about social responsibility were opened as restricted elective courses for all faculties, meaning mandatory to take for all the students yet they can choose their course depending on their personal interest. The category is named "Social Responsibility and Participation List" and the courses in this restricted elective slot are listed as follows: Introduction to Practical Ethics, Global Civil Society, Contemporary Issues in Environment and Ecology, Gender in Everyday Life, Ecological Literacy and Sustainability, Active Citizenship and Participation, Introduction to Disaster and Emergency Management, Environmental Studies, Social Responsibility Project I and II, Social Responsibility, Civil Society and Istanbul, Introduction to Child Policies, Special Topics on Global Civics, Social Entrepreneurship in Turkey, Fundraising and Project Development Techniques, Youth Culture, Introduction to Youth Policy, Aging and the Elderly: Interdisciplinary Perspectives, Experiencing Biomimicry: Innovation inspired by Nature, Prejudices, Stereotypes and Disability, Occupational Health and Safety, Ecological Social Entrepreneurship, Concept of Childhood through History, Future Studies, Human–Animal Interaction, Ethics and Life Course, and NGO Capacity Building and Management (IBU 2017b).

The Public Relations Program operating under Faculty of Communications also shows sensitivity in responsibility topics as well as CSR and offers courses that are both on theoretical and applied level. Corporate responsibility is a course that provides a theoretical background about social responsibility. Social responsibility and sustainability is another course that gives the student the opportunity to work together with NGOs and gives the opportunity to practice theory. Corporate Social Responsibility Practicum on the other hand is a course to be completed with volunteer work and therefore encourages students to work in the field (IBU 2017a). Moreover, the program also organizes various projects by integrating human rights issues to the educational content of applied courses. As Professor Saka explained during the interview "Tut Elimden Çocuk Olalım" (hold my hand and lets all be kids) seminar was organized as the part of the course "Senior Year Seminar" to create awareness about the process of becoming a foster parent. Another seminar "Ama Ben Daha Çocuğum" (yet still I am a child) was organized under the same course with the purpose of bringing forward the child abuse issue, especially the compulsory marriages among young girls. These seminars were conducted by students themselves and were open to public's participation. All tasks including determining the speakers, arranging sponsorships, preparing all the communication materials were expected from the students as the mandatory part of the course. Instructors supervise the students during the process but mainly students take control that allows them to experience a real-life problem.

Besides The Faculty of Business and Public Relations Program, other faculties, departments, and programs also designed their own ethics and responsibility courses but related to their scopes. Some of those courses are Ethics in Engineering and Science, Sustainable Engineering, Health Law and Ethics, Media and Human Rights, Human Rights Activism, Human Rights of Women, Sport Management and Ethics, Case Study in Physiotherapy and Ethics, Ethics and Communication, Job Ethics, Medical and Professional Ethics, Nursing History and Ethics, Green Biotechnology, Bioenergy: Basics and Applications, Introduction to International Human Rights Law with Special Emphasis on Turkey, The Right to the City (IBU 2017a).

Academic research related to social responsibility issues is also another important part of the socially responsible attitude of IBU. Some of the articles published in academic journals are "Investigating the Mediating Role of Corporate Reputation on the Relationship between Corporate Social Responsibility and Multiple Stakeholder Outcomes", "Vehicle Routing Solution Reduces Transportation Costs for Organic Farmers Serving the Domestic Market in Turkey", "The Role of a Civil Society Organization in the Development of the Domestic Organic Market in Turkey", "Supply Chain Management Practices in an Alternative Food Network: The First Organic Marketplace of Turkey", "Turkey's First Organic Bazaar", "Impact of Family Friendly Organizations and Social Policies on Women's Employment: A Conceptual Model for Turkey", "Analysis: Public Preferences for Carbon Tax Attributes", "The 'New' Economic Imaginaries of Capital in The Wake of Crisis of Neoliberalism: Possibilities and Limits", "Gender Budgeting in Turkey: An Assessment of Local Practices from the Well-Being Perspective", and "How Does Responding to the Crisis Affect Gender Segregation in the Labour Market? The Case of Turkey" (IBU PRME 2015).

As Atakan, Sanje and Gül mentions in their interviews PRME and UNGC showed a principle how to conduct and organize those courses in a meaningful structure. Although they both admit PRME and UNGC is not the only driver of offering those courses, they both agree the initiative gives a guidance to put all those efforts into a perspective. Consequently, although in this study the educational activities or in other words courses are not categorized as shown in the UNGC for HEI guide, they can easily fall in one of UNGC's four main categorizes. For practical reasons, courses were categorized according to IBU's operational system yet centers, units, and board activities such as conferences, seminars, and summits are examined under the four main issues of UNGC as shown in the initiative's guide.

Human rights issue is IBU's one of the strongest path and activities are heavily lead by research and application centers. In general, IBU hosts various centers and units regarding human rights with specializing in different areas such as children, women, animals and disabled individuals. The Human Rights Law Research Center aims to raise the awareness of human rights law through numerous conferences, symposiums, seminars, and publications. Some of center's projects and conferences are "Awareness Raising Project in the Areas of Non-Discrimination and Equality Targeted at Civil Society Organizations", "Capacity Development Program for Human Rights in Business", "Women's Collaboration for Gender Justice", and "Technical Assistance for Prevention of Domestic Violence against Women", "Worldwide Movement for Accountability and Crimes Against Humanity", "Violence against Women without Borders" (IBU UNGC COP Report 2014). The center's activities are not limited with those projects and seminars, the center also contributes to joint activities with related stakeholders, published bulletins, reports, and books with related topics such as "Urban Transformation and Human Rights" and "Gezi Park Events: An Assessment in Light of Human Rights Law and Political Discourse". The center also provides Pro Bono Legal Assistance Network where details can be reached by center's Web site. As regards to women rights, İstanbul Bilgi University Publications published the book "Women's Rights: International Law and Practice" which was prepared by The Prevention of Discrimination and Violence Against Women working group of the Human Rights Law Research Center (İnsan Hakları Merkezi 2013). In the same respect, The Community BİLGİ Legal Clinic is another unit again functioning under the Faculty of Law in which the students have the opportunity to learn by doing and support the disadvantaged individuals either by choosing to help people who cannot afford an attorney or visiting prisons located in Istanbul in order to guide convicts (IBU UNGC COP Report 2014).

Center for Sociology and Education Studies is another heavily involved center with human rights area. The center concentrates on issues about identity, discrimination, democracy, citizenship, poverty, gender, sexual orientation and also actively functions as a bridge between primary and secondary school teachers regarding information flow. The center's completed pro bono projects and activities, mostly supported by IBU, are Human Rights in Textbooks III (together with the History

Foundation), Teacher's Workshop: "Discussing Controversial Issues in an Educational Setting" Certificate Program, Discussing Social Issues in an Educational Setting: Teachers and Academics joint Study and Production Project (together with the Terakki Foundation), How to Deal with Discrimination in Education Settings: Lesson Samples and Resources for Educationalists (ASED) and Prejudice, Stereotypes, and Discrimination: Sociological and Educational Perspectives I (ASEP). The center has several similar projects and activities that can be found in their official Web site (SECBIR 2015).

IBU's Center for Migration Research is the first migration research center that carried out large scale, multi-dimensional scientific researches in Turkey and has several publications and activities designed for public's engagement. The center organized very controversial conferences such as "Migration and Literature: Reflections of 'Armenian Deportation' on Literature", "Syrians in Turkey: Societal Acceptance and Accordance", and "International Migration through the Germany and Turkey", seminars "The Next Generation of Turkish German Civil Society: New Paradigms, New Approaches", "Analyzing Gender through Transnational Space and Migrations", "Graphic Violence: Representing Conflict and Migration through Narrative, Photography and Comics", "Awareness on Asylum-Seekers and Refugees in Turkey", and "Refugees on Their Journey into the Unknown: The Right to Access Asylum, Protection and Assistance in Europe and Germany", and symposiums "50 Years of Turkish-Belgian Migration History", "Urban Gentrification and Tarlabaşı". Tarlabaşı Community Center, as of 2016 an independent association that supports a disadvantaged group living in Tarlabaşı area, excluded from the social life and live in poverty and deprivation of fundamental rights; was founded by the help of Center for Migration Research. The center supported the Tarlabaşı community till it gained its independency and helped the association to become a legitimate association (IBU UNGC COP Report 2014).

Center for Civil Society Studies, one of the oldest and most active centers of IBU, was established to support the development of civil society through scientific research, publications, and documentations in cooperation with official and private institutions, and non-governmental organizations. The center acts as an umbrella center, hosting three units: "NGO Training and Research Unit", "Children Studies Unit" and "Youth Studies Unit." The NGO Training and Research Unit prepares specific trainings to strengthen the capabilities and capacities of NGOs and therefore works very closely with NGO's. The NGO Training and Research Unit actively took part in several projects, supported the NGO's in terms of founding funds and gaining an effective network. Within the same scope, Children Studies Unit and Youth Studies Unit are both intended to protect children and youngsters by creating awareness among them about their personal rights. Children Studies Unit is specialized with children aged between 0 and 18 and chooses projects and audience that are especially disadvantaged. Various projects were conducted under the roof of the center including educating the disadvantaged children on campus during summers and semester breaks. Some of the projects of the unit are Gender Equality Project, aims to transform gender stereotypes of families in a positive way; Respect for Diversity with Children Workshop, establishes a student council model that allows child participation in schools; Towards Democratic Schools project, targeting 5th–8th grade students, teachers, managers, employees, and families in order to promote democratic school culture in Turkey and last but not least Child-Friendly Local Initiative aims to create awareness and sensitivity regarding child rights and democratic life. Other activities toward human rights principle are "Bilgi Acik Kapi" (Bilgi Open Door) project ran by Psychology program and has the purpose of raising awareness about the issues of violence and trauma (IBU UNGC COP Report 2012).

As Atakan and Eker (2007) asserted, IBU actively takes a role for the well-being of the society, especially with individuals that are socially and economically excluded. As Gül pointed out in her interview not only the centers and academic programs are involved with responsibility and well-being of the society projects but also members of IBU take an active role individually in such projects. Adım Adım Project (step by step), co-founded by an academic member of IBU, Itır Erhart, working for fundraising for NGOs through sports such as running, swimming, and biking. Since 2008, 21 million Turkish Liras were collected for NGO's AÇEV (Mother Child Education Foundation), AKUT (Search and Rescue Association), TEGV (Educational Volunteers), TEMA (The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats), Koruncuk (Turkish Foundation for Children in Need of Protection), and TOG (Community Volunteers Foundation) (Adım Adım 2016). As Sanje mentions those individual actions stands as a very role model for all stakeholders and serves an aspiration for other activities to design. The Student Union's plastic bottle campaign is a good example of that inspiration; the Union started a campaign among IBU to collect plastic bottle caps in order to help producing wheelchairs for disabled people with a low cost. On the hand, IBU management supports and designs such activities by donations, hosting activities or in some cases becoming the sponsor. Students and staff among three campuses donate blood in given times of the year for the Turkish health foundation Kızılay, where there is disaster IBU cuts some of its events and donates the fund in the needed area such as Somalia (IBU UNGC COP Report 2012).

As for the second UNGC issue labor, especially Center for Migration Research serves as a very active supporter. The center especially is involved in labor issues of the less fortunate communities and conducts conferences, workshops, awareness campaigns besides publishing heavily regarding the topic. "Seasonal Labor Migration in Agriculture" conference, "Child Labor in Seasonal Migratory Agriculture" workshop, "Network on Seasonal Labor Migration" network established to collect information about seasonal labor migration in Turkey and to offer solutions are among Center's activities. Center for Sociology and Education Studies is another actively involved center in labor equality. Among the center's projects regarding the labor issue "Unequal Education: Student, Teacher, School Organizations and Their Perceptions about Communal and Educational Inequalities" and "Prejudices, Stereotypes, and Discrimination: Sociological and Educational Perspectives" are definitely worth to take into account. Children Studies Unit active in children rights also takes part in children labor issues. "Children Have Say", a board game aiming to enhance the knowledge about children's rights and "Children Have a Word", a radio program focuses on children's rights are among Unit's projects toward creating a meaningful awareness about children labor rights. Another important center is The Social, Economic and Political Research Center (TESAR), where free lessons (English, Computer, Digital Photography, etc.) are organized on campus free for high school graduates. Free Sports Schools is another activity held by the center aiming to train the youth and children living in Kuştepe area in sports such as volleyball, handball, and basketball (IBU UNGC COP Report 2012).

The European Institute, mainly works on EU politics, EU economics, and EU law, has been involved in a remarkable amount of EU-funded projects that led to academic research regarding issues like democracy, human rights, freedom of press, intercultural relations, etc., also awarded by two Marie Curie Fellowships, two Horizon 2020 projects, and two Jean Monnet Chairs (IBU UNGC COP Report 2014). As Atakan mentioned during her interview, the institute also played a role and served as a guide for new centers and units to form at IBU.

Some graduate courses under Law and Human Resource Management departments are also directly related to labor. "Labor Relations and Labor Law" aims to make students comprehend law and its implications on the employment context, whereas "Selected Topics of Labor Law" course aims to examine issues like principles of unionization and freedom of association, trade unions and democracy, suspension of union activities and dissolution of unions, the nature and characteristics of collective agreement, relations between collective agreement and the contract of employment, collective labor disputes, strikes and lock-outs (IBU 2017a).

As Sanje spots in her interview, IBU management supports and puts effort to implement UNGC principles within the university. Bilgi Young Social Entrepreneur Awards and Social Entrepreneurship Incubation projects aiming to support young social entrepreneurs who work for social betterment stands as good examples of those intentions. In both projects, the participants have education free of charge; winners or qualifiers receive cash awards and gain a chance to improve their projects. Moreover, IBU promotes publishing among academics by giving incentives and yearly approximately 170.000 dollars are given as an incentive. One principle under the labor issue says that "businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining" in this scope in 2016 IBU sat at a table with representatives of teaching assistants and discussed the salaries. At the end, there was set an agreement and IBU management agreed with the assistants and raised the salaries during the academic year (IBU UNGC COP Report 2014).

Another initiation realized by IBU regarding labor issues is the "Career Center." The center guides both students and alumni on career planning, preparation of CVs and cover letters, interview techniques, etc. Besides organizing regular career seminars, two seminars were conducted regarding this topic: "Preparation for Business Life Seminars" with the partnership of Secretcv.com, "Grafton and Ranstad" and "Career Planning Seminars." The center adds new useful topics every year, designs seminars for high school student, works to widen the network and seasonally gives personal consultancy for the students (IBU UNGC COP Report 2014).

As mentioned before in Gül's interview IBU's members, individual and independent active stands as a good role model for the university's overall ecosystem. Another proof comes from IBU Alumni Association (BILGIM) designed to act as a network and gather alumni groups together in order to contribute to their social and professional lives by organizing various activities; BILGIM organizes some independent responsible activities aside from being merely a business network. In collaboration with "Hayata Dokun Derneği", an organization that works for women and children, BILGIM organized a concert to financially help mothers in prisons and also supported actively the project "BESIK" aimed to train adults about adoption and foster parenting (IBU UNGC COP Report 2014).

The third principle of UNGC "Environment" has come to IBU's agenda after becoming a signatory. Although it is challenging and requiring some investments in the first glance, IBU showed its good intentions and took some major steps concerning the issue. As Sanje stated in her interview, IBU became the first university in Turkey to use carbon and sulfur-free wind energy. During the same year, Center for Environment, Energy and Sustainability has been formed. Center concentrating on environmental problems has been very active since the day it was activated. One of the activities held by the center every year is "Earth Hour" campaign promoted by WWF in order to raise awareness on global climate change by turning off the lights at three campuses for an hour. As the center's activity, IBU's carbon footprint was calculated by a joint project with GAIA Carbon Finance and the results were shared with all stakeholders with a panel held at the university. Sustainable Environment Education joint project with IMMIB and MyClimate, aiming to raise environmental awareness among primary school students in Anatolia, was organized and center took the responsibility educational part of the project and educated both primary school teachers and students in six Anatolian cities. Another project designed and supported by the center was "Smart Stars Energy Saving Corporate Social Responsibility Program", in which two academic members of the center prepared training materials to be used in 31 public schools all over Turkey and personally educated the primary school teachers in four seminars. Moreover, a report regarding water problems of Turkey was prepared by the center in collaboration with WWF (IBU UNGC COP Report 2014).

Another environmental project "Bilgi Hayvan Dostları" (Animal Friends of Bilgi) was started by the Public Relations Program in 2014. As Saka explained in his interview launched by the program, the movement started as a voluntary platform aiming to generate awareness about animal welfare and also provide an opportunity for information flow about helping both campus and stray animals. As it is supported by IBU through free animal food supply, the members of the platform consist of both the academic and administrative staffs as well as the students. Since the first move for becoming environmentally responsible, the university witnesses many other independent projects and activities. Paper Awareness Campaign, designed by Advertising Program, aimed to prevent excessive usage of paper and promote recycling within the campuses. The campaign was prepared by the senior students of the Advertising Program, IBU supported the campaign by placing the proper recycling boxes within the campuses and continued the collection, moreover agreed to donate the collected paper to an NGO "Lokman Hekim Vakfı" which uses the collected paper as an income source to give free health services to public. In the following years in order to both prevent paper waste and help Syrian children, IBU decided to conduct the course evaluation surveys online and announced the budget planned for the printed surveys will be spent to buy coats and boots for the Syrian primary school children as Sanje stated in her interview.

Anti-corruption, being the fourth issue of the UNGC, is one of the most difficult principles to track within the universities. After becoming a signatory, IBU got inspired by the initiative and published the "Code of Conduct and Ethics" to stand against corruption. The code offers principles regarding ethical behavior both for academics and for students on topics like the role of administrators and managers, accurate records and reporting, conflicts of interest, unfair competition, bribery, and corruption. After the code, IBU established an ethics committee to evaluate academic research in terms of ethical correctness, especially with researches involving humans and human-related subjects such as health, security, human rights. IBU Ethics Helpline is another platform both for academic and non-academic employers to be used as guidance for all kinds of questions, as well as reporting possible violations. Last but not least, IBU has prepared a directive on scholarships and support aiming to regularize coverage and conditions of scholarships and discounts (IBU UNGC COP Report 2012).

When checked by the timeline, it is understood that activities related to environment and anti-corruption were taken after becoming a signatory. The testimonials from Atakan and Sanje's interviews also supports that although IBU had the intention to take such actions, the responsibility of being a signatory made the management to take some actions to take CSR's activities into a further level, helped to decide what to do first and take some actions faster than usual. Therefore, since the actions regarding environment and anti-corruption were applied after becoming a signatory and this fact was also confirmed by two interviews, by investigating this case it can be stated that "UNGC can serve as a guideline for universities in developing CSR practices in their business operations".

As mentioned before, IBU played a role in forming and also contributing to the preparation and publication of "A Practical Guide to the United Nations Global Compact for Higher Education Institutions" between 2011 and 2014. With IBU's support, PRME contact person Atakan and UNGC contact person Sanje took an active role in the process, joined both face-to-face and online meetings. The guide was launched in 2012's at United Nations Conference on Sustainable Development Summit, commonly known as Rio + 20. Being an active member at UNGC worldwide, IBU gained a well-known name in local network that ended Sanje being elected to Board of Auditing as IBU's presentative next to Deliotte in 2013. These results actually prove that "UNGC can help to make universities' CSR implications visible".

5.4 Conclusions

Voegtlin and Pless (2014) suggest that tracking the progress of signatories over time is a good approach in order to understand whether UNGC functions or not. In the same scope, this study aims to practice this suggestion and tracks IBU's general CSR performance after being a signatory. The UNGC initiative can be quite influential if the businesses integrate the principles into the culture of the organization and to the daily routine (Baumann-Pauly and Scherer 2013). Following the suggestion, this study investigated IBU's routine and the evidences show that IBU governance began to take a more active role in well-being of the society; and through PRME and UNGC COP reports, governance became more sensitive and transparent to all the stakeholders about its activities.

The compact does not enable companies to start implementing CSR from scratch, but reinforces existing CSR strategies. According to Runhaar and Lafferty (2009), if CSR approach is already a part of the company identity, the compact may promote frontrunner companies to perform better. Atakan and Eker (2007) study reveals IBU was a socially responsible corporation since the very first day it was established but being one of the signatories of the UNGC made the university's CSR actions more conscious, organized, and visible. The findings of the study reveal that CSR approach was embedded in every possible ground like courses, academic publications, centers, units, seminars, campaigns, and donations. All these planned actions were encouraged and then guided by the compact; they were mostly discussed and applied at all levels and therefore UNGC made such actions more visible and inclusive. The management bodies approved all the official reports, all actions were discussed and reported at the management level, and the activities were tracked and published resulting in all stakeholders to learn those CSR activities. As a result, UNGC actually helps universities to make their CSR implications visible.

A number of scholars have pessimistic views about the compact's effectiveness as they focus on the defects of the compact rather than evaluating the achievements as promising. The scholars in question are concerned about the possibility of companies taking advantage of the compact without performing any worthwhile CSR action. Nevertheless, some researchers (Voegtlin and Pless 2014) suggest that UNGC plays an important role in putting CSR on the agenda and despite the fact that the compact cannot serve for companies as a force if they lack CSR philosophy, still UNGC can act as an accelerator for organizations that already have a CSR philosophy base, furthermore can even support companies just with a good intention. The current study does not claim that the UNGC is the only driver for CSR actions, but it suggests that the compact gives a guidance to put all those well-intentioned actions into a perspective. Although the compact does not serve as a judgmental governance body since it's not the mission, but still by its COP reports, it makes the signatory to be honest and transparent about their activities and moreover suggests, encourages, and draws attention to become corporately responsible from the well-being of the society.

As mentioned before, IBU became one of the first universities that published a COP report in Turkey. Especially after giving support to the UNGC in HEI guide, which still serves as a guideline for all the higher education institutions in implementing the principles, IBU began to be more attentive in performing, reporting, and also supporting new signatory universities. As IBU took being a signatory of the compact quite seriously, the university played an active role at the local network and as a result became a member of the National Board of Auditing for 2013–2016 periods. Only two signatories (IBU and Deloitte) were chosen for the committee by voting, while the others were assigned. Among numerous signatories including many universities, IBU came to the fore relative to the visibility of its actions.

Further research can be conducted in order to investigate the actions of various universities before and after being signatory. If additional cases like IBU can be published, the universities can be comparatively examined and best practices can be investigated. Moreover, since IBU has been investigated nearly every 5 years, it can be updated in the coming years.

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Chapter 6
Psychological Barriers to Environmentally Responsible Consumption

İnci Dursun

Abstract Change of the consumption patterns has been a critical target for national and international policies for sustainable development. More responsible consumption practices are presumed to eliminate or at least alleviate human-induced environmental problems. However, motivating the responsible consumption is not easily given the structural and psychological barriers for those behaviors. Although promoting factors have received considerable attention from researchers, studies on the barriers, especially on psychological ones, are still very limited. This chapter aims to improve the knowledge about the five psychological mechanisms which help the consumer to avoid engaging in pro-environmental actions when the overall costs of those actions are perceived to be high. VBN framework was employed to explain the indirect roles of these mechanisms. To this point of view, consumers may employ denial of the problem, denial of risk, denial of responsibility, helplessness or rationalization mechanisms iteratively on the way to responsible consumption. Review and the discussion in this chapter may contribute to the literature by addressing where attitude-behavior or value-behavior chain is broken in a pro-environmental context. Chapter also highlights the advantages of social marketing perspective and especially segmentation tool for policymakers.

Keywords Responsible consumption · Psychological mechanisms · Denial · Helplessness · Rationalization · Social marketing

6.1 Introduction

Global patterns of consumption and production, which is totally driven by consumption, are shown as the direct antecedents of growing environmental problems that have been recognized in the 1970s. Since then, all stakeholders have become more aware of and concerned about the massive consumption's threat to social and

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environmental welfare. Consequently, there is an acknowledged urgency to alter consumption patterns, lifestyles as well as production and distribution methods (Dobers and Strannegård 2005). Because daily individual consumption behaviors strain the environment through resource depletion, waste generation, and environmental pollution, individual consumers have emerged as a significant target group for national and international policies (Ölander and Thøgersen 1995). The basic tenet of those policies is that consumers have both power to modify their own consumption behavior to make it more eco-friendly and to force companies embracing the responsible paradigm by voicing their opposition to irresponsible business practices (d'Astous and Legendre 2009). Supportively, multi-disciplinary scientific research (e.g., environmental and social psychology, social marketing) works to identify factors underlying the environmentally responsible consumption (e.g., Anderson and Cunningham 1972; Balderjahn 1988; Stern and Dietz 1994; Thøgersen and Ölander 2002; Vermeir and Verbeke 2006; Gifford 2014). However, negotiating the pro-environmental behavioral change is difficult and complex (Jackson 2005) especially while consumption culture in modern society fuels the environmentally detrimental activities (Bandura 2007). Indeed, a notable inconsistency between consumers' environmental attitudes and behaviors has been commonly recognized (Young et al. 2010; Roberts 1996; Carrigan and Attalla 2001; Chatzidakis et al. 2007; d'Astous and Legendre 2009; Carrington et al. 2010). Accordingly, even if consumers are aware of the declining state of the environment, they are reluctant to change a much-preferred lifestyle for the sake of environment (Pelletier et al. 1999; Hatfield and Job 2001; Park and Ha 2012; Lorenzoni et al. 2007).

Recent studies focus on unsustainable consumer behaviors, which are equally crucial for environmental policies (Thøgersen 2014), to explain why and how people continue to make environmentally harmful choices. In this context, a branch of the studies investigates the external constraints that arise from the social-cultural, infrastructural, political, institutional, technological, and economic circumstances in the markets and society, and keep pro-environmental attitudes from being expressed in behavior (Blake 1999; Tanner 1999; Kollmuss and Agyeman 2002; Lorenzoni et al. 2007). There is another branch of the studies focusing on psychological mechanisms that help consumers to justify their mindless, unsustainable consumption practices. Denial (Feygina et al. 2010; De Bock and Van Kenhove 2011; Lorenzoni et al. 2007), temporal risk discounting (Gattig and Hendrickx 2007; Hendrickx and Nicolaij 2004; Hatfield and Job 2001; Thøgersen 2014), amotivation (Pelletier et al. 1999), rationalization (Stich and Wagner 2012; d'Astous and Legendre 2009) are listed and described as some prominent mechanisms. An advanced knowledge of those mechanisms, that mediate environmentally harmful behaviors, is vital for understanding how consumers can be encouraged to satisfy their needs in a more responsible way. However, studies on the roles of mechanisms in the consumption context are rather limited and mostly exploratory in nature. More empirical and theoretical research is needed to extend the knowledge about the impeding roles of the mechanisms and factors that trigger and alleviate them.

In this context, the main purpose of this chapter is to extend the understanding of why consumers fail to adopt environmentally friendly practices and what are roles of psychological mechanism in these processes. For this aim, the chapter starts with the definition of a multi-dimensional responsible consumption concept. Then, it critically reviews emerging research on five specific mechanisms including (1) denial of the problem, (2) denial of risk, (3) denial of responsibility, (4) helplessness, and (4) rationalization. Unlike previous research in this area, a Value-Belief-Norm framework (Stern 2000) is used to explain the hindering roles of these mechanisms. The relation between the promoting and constraining factors on the way to responsible consumption is discussed. In this way, the chapter attempts to provide some useful insights for policymakers and social marketers who endeavor to promote a responsible lifestyle with a vision to facilitate sustainable development.

6.2 Responsible Consumption

It is a well-accepted fact that, directly or indirectly, consumer activities have substantial contributions to a large number of environmental problems such as climate change acidification, growth of waste, dehydration, eutrophication, and diffusion of chemicals (Ölander and Thøgersen 1995). Notably, some activities including food and drink consumption, housing (including domestic energy), and transport (including commuting, leisure, and holiday travel) have more environmental impacts (Peattie and Peattie 2009).

There are various concepts referring to the patterns of consuming through thinking ahead about the consequences and implications of individual behaviors for other people and environment. Some of those include sustainable consumption (Thøgersen and Ölander 2002), unselfish consumption (Peattie 2012), mindful consumption (Sheth et al. 2011), environmentally significant consumption (Stern 2000), and environmentally conscious consumption (Ellen et al. 1991). In this study, the term of "responsible consumption (RC)" is used as an umbrella concept which composed of various consumption behaviors that have "a less negative impact or more positive impact on the environment, society, the self, and the other beings" (Ulusoy 2016: 285). Concordantly, responsible consumers are those who take the environmental impacts of their individual actions into account while meeting their own needs.

In the literature, there are two main approaches used for RC studies. The first line of research focused on a single responsible behavior such as, green consumption (Gonçalves et al. 2016; Mainieri et al. 1997); energy saving (Van Raaij and Verhallen 1983; Sütterlin et al. 2011), recycling (De Young 1988; Hopper and Nielsen 1991; Chen and Tung 2010), etc. This narrow focus provides an improved understanding of distinct determinants of each responsible behavior. On the other hand, from the environmental policy perspective, focusing on a single behavior is claimed to be inefficient and too slow, measured by the challenges ahead and also claimed to create or worsen the environmental problems outside the focus (Thøgersen 1999). Another line of research (e.g., Balderjahn 1988; Roberts 1996; Thøgersen and Ölander 2002) follows a broader approach and investigates RC as a multi-facet behavior.

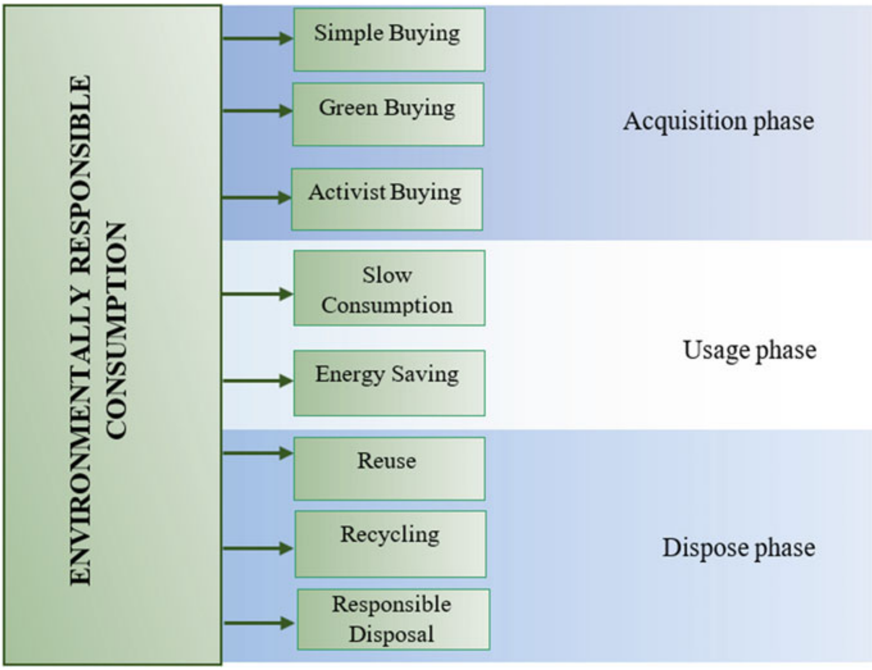

Fig. 6.1 Responsible consumption as a multi-dimensional construct

Correspondingly, RC covers a wide range of responsible practices that consumers engage in during acquisition, usage, and disposal of personal and household products (Stern 2000). All various forms of pro-environmental behaviors (e.g., energy saving, sharing, recycling, reducing private car use, boycotting) are assumed to be fueled by the sense of caring about the implications and consequences of one's consumption (Sheth et al. 2011). In a similar vein, RC was conceptualized as a multi-dimensional construct that comprises eight diverge but related forms of responsible behaviors. As displayed in Fig. 6.1, those behaviors were clustered into three groups using a consumption process approach. However, it must be acknowledged that specific RC behaviors may not be clearly categorized in distinct groups since they are found to be interrelated (Thøgersen 1999; Dursun et al. 2016b, 2017b).

6.2.1 Responsible Behaviors During Consumption Process

As remarked by McDonald et al. (2006: 515), "every time someone makes a decision about whether (or not) to purchase a product or service there is the potential for that decision to contribute to a more or less sustainable pattern of consumption."

According to the process approach, simple buying is the first-step responsible consumption practice. It refers to reducing the purchase of new products by finding alternative ways to satisfy needs. The alternative ways may include making a product themselves, repairing durables to extend usage time delaying a purchase (Peattie 2012), borrowing rarely used material goods such as ladders and decorating equipment, using communal products such as communal laundry (Shaw and Newholm 2002) and carpooling (Wang 2011). Simple buying contributes to the decrease in the energy and resource used for the production of new products. Besides, when necessary, responsible consumers may also choose to purchase second-hand products which help to extend a product's life (Shaw and Newholm 2002) and consequently contribute to efficient use of resources.

When purchasing a new product is the case, consumers are expected to make responsible choices among alternatives. Green buying and activist buying appear as some prominent responsible options. Green buying refers to purchasing green options which "usually describe products that protect or enhance the natural environment, the conservation of energy, and the reduction or elimination of toxic agents, pollution, and waste" (Gonçalves et al. 2016: 1485). Green products may include household items manufactured with postconsumer plastics or paper, energy-efficient light bulbs, and detergents containing ingredients that are biodegradable, nonpolluting, and free of synthetic dyes or perfumes (Mainieri et al. 1997). "Packaging conscious buying" (Thøgersen 1999: 61) may be considered as another green buying practice. It refers to buying the products in eco-friendly packages that are manufactured using clean production technologies beneficial and safe for individuals and communities throughout its life cycle (Prakash and Pathak 2017). Besides, preferring the long-lasting, eco-efficient products may also help to reduce resource usage and waste (van Nes and Cramer 2006). Finally, consumers may look to technological solutions for greener consumption, such as purchasing catalytic converters on fuel-economic cars, clockwork radios, superefficient refrigerators, and laundry balls to replace detergents (Shaw and Newholm 2002).

At the acquisition phase, consumers may also use their purchasing power to force the firms to be engaged in environmentally sound practices. Boycotts and the buycotts, which are used by consumers to express their environmental values and attitudes, can be term as activist buying. The boycott is defined as refraining from selected purchases in an attempt to achieve certain objectives (Friedman 1985: 97). Buycott, as a reverse strategy, refers to increase in purchases (Hofmann and Hutter 2012: 216). Boycotts and buycotts as responsible consumption practices aim to contribute to building public pressure on businesses to take greater responsibility for social and environmental issues (Russell et al. 2016). Boycotts often seek to punish firms for their socially and environmentally harmful behaviors while buycotts commonly endeavor to reward them for past good deeds (Friedman 1996).

At the usage phase of the consumption process, duration of usage appears as a critical factor since an extended lifetime of eco-efficient products have a potential to reduce the environmental impacts of consumption patterns (van Nes and Cramer 2006). Slow consumption, which is a neglected dimension of RC, is defined as "slowing the rate at which products are consumed (literally, "used up") by increasing their intrinsic durability and providing careful maintenance" (Cooper 2005: 54). To alleviate the environmental degradation efficient usage is also vital in energy and water consumption contexts. Responsible consumers are presumed to focus on energy conservation and put effort into water saving. There are various methods to reduce the household use of electricity, natural gas, other fossil fuels, water, and multiple approaches to categorize them (see Karatasou et al. 2014). In general, there are three types of conservation behaviors containing investment, curtailment, and maintenance behaviors (Van Raaij and Verhallen 1983; Ölander and Thøgersen 1995). Habitual/curtailment behaviors are repetitive and aim to reduce energy usage in daily life. These practices may include temperature adjustment, turning lights off in unused rooms, wait for the full load for washing, turn off standby on appliances; saving fuel through driving less, biking or using public transportation more often, etc. (Gadenne et al. 2011; Sütterlin et al. 2011). Investment behaviors refer to one-shot practices, such as purchasing the energy-efficient equipment, technology, and home refurbishment. For example, responsible consumers are expected to buy energy-efficient household appliances, bulbs, heating equipment, or ventilators (Van Raaij and Verhallen 1983) even if these appliances are relatively more expensive. Besides, energy-efficient refurbishments include wall or roof insulation, installation of solar-heating collectors or triple-glazed windows (Stieß et al. 2009). Maintenance is another type of energy-saving behavior describing the practices ensuring that equipment is in a good-working order (Ölander and Thøgersen 1995). Maintenance behaviors involve small repairs for in-home heating system and appliances, servicing of the car and regular engine inspections (Van Raaij and Verhallen 1983; Ölander and Thøgersen 1995) with the aim to increase energy efficiency.

Finally, responsible behaviors at the disposing stage of the consumption process cover recycling, reusing, and responsible disposal of the products. Reusing practices aim to extend the products' time of usage by finding new users or new uses. Consumers may find new users for their products through donating, reselling or loaning/giving them to others, either directly or through alternative channels, such as charity retailers (Peattie 2010). Also, consumers may find new uses for their products. For example, they may save food containers to store things in, reuse glass bottles and jars for other purposes, reuse old cloth or unused side of papers (De Young 1986, 1996; Barr 2007). On the other side, for the products that are at the end of life, recycling or responsible disposal become responsible alternatives for consumers. Recycling aims to contribute conserving natural resources, reducing waste and consequently diminishing landfill problems through collecting, sorting the recyclable materials such as glass, metals, plastics, oils, and paper, and sending them to facilities (Hopper and Nielsen 1991; Chen and Tung 2010). Besides, responsible disposal of some hazardous household waste is crucial for human and wildlife health and the environment because when they are disposed of improperly (e.g., posed in municipal waste bins) those wastes can poison the air, soil, and water. Household hazardous materials include the solvents, antifreeze, pesticides, oil-based paints, batteries, and unused medicines (Inglezakis and Moustakas 2015). Also, waste of electrical and electronic equipment may be hazardous since they are the source of toxic elements such as lead, cadmium, mercury, chromium, and polybrominated biphenyls (Borthakur and Govind 2017). Consumers are expected to separate those waste from general household waste and save them for a hazardous waste collection program or take them to collection points (HOHHW 2009). In this way, they can be recycled or disposed safely at hazardous waste facilities.

6.2.2 Application of Value-Belief-Norm Theory to Responsible Consumption

During the past few decades, environmental and social psychology researchers have focused on identifying intrinsic dynamics of responsible behaviors discussed above. Demographic factors (Anderson and Cunningham 1972; Balderjahn 1988); values (Stern and Dietz 1994; Thøgersen and Ölander 2002; Pepper et al.2009); knowledge (Kaiser and Fuhrer 2003; Tanner and Kast 2003; Gifford 2014); emotions (Baumeister et al. 1994; Antonetti and Maklan 2014; Koenig-Lewis et al. 2014), norms (Steg et al. 2005; Nordlund and Garvill 2003; Chen 2015), beliefs about responsibility and personal effectiveness, (Ellen et al. 1991; Vermeir and Verbeke 2006) and attitudes (Roberts 1996; Kim and Choi 2005) were found to be related with responsible behaviors, in some extent. On those studies, various psychosocial approaches were used. Norm Activation Theory (NAT) (Schwarrtz 1977), Theory of Planned Behavior (TPB) (Ajzen 1988, 1991), and Value-Belief-Norm Theory (VBN) (Stern 2000) appeared as some prominent models.

TPB assumes that individuals make reasoned choices. Accordingly, environmental intentions and behaviors are more likely when people have positive attitudes toward the relevant behavior; when subjective norms support this behavior; and when one feels in control over the behavior (Steg and Nordlund 2012). On the other hand, since harming others by one's practices becomes a matter of morality (Bandura 2007), moral activation approach is often used to explain responsible consumption behaviors. NAT (Schwarrtz 1977), and VBN theory (Stern 2000) propose that pro-environmental behaviors are primarily governed by personal moral norms. According to this point of view, altruism is the prominent motive for pro-environmental behaviors because the environment is a public good and consumers need to sacrifice some individual benefits for the sake of it. Bandura (2007, 1999) indicates that the moral obligation to preserve the environment and leave a habitable planet to future generations is adopted through the socialization process, while Schwartz (1977) suggests a more specific belief structure as a norm-triggering factor in the NAT. Particularly, NAT presumes that there are two cognitive triggers of personal norms: (1) awareness of consequences referring individual consciousness of one's potential acts may have consequences for the welfare of others, and (2) ascription of responsibility implying the feeling of responsibility for these actions and their negative consequences (Schwartz 1968).

More recently, Stern and his colleagues (1999) introduce VBN theory through associating NAT with Value Theory (Schwartz 1992) and the New Environmen-

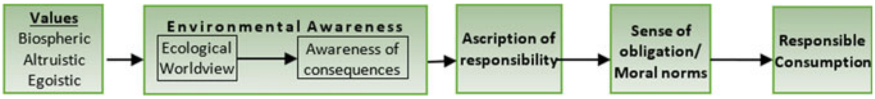

Fig. 6.2 Chain effect that is proposed by VBN theory

tal Paradigm (NEP). Eventually, VBN framework proposes that environmentally responsible behavior lies in a conjunction of values, beliefs, and personal norms. The theory suggests a chain effect which starts with the values, which are central elements of personality and move through a more focused belief structure regarding human-environment relations, their consequences, and the individual's responsibility for taking corrective actions which in turn activates the sense of obligation (Stern 2000). Once the feelings of moral obligation are established, consumers are presumed to behave in a way that will give them satisfaction and a sense of self-worth, and refrain from behaviors that violate their moral standards (Bandura 1999). Nevertheless, it is not reasonable to expect responsible consumers to be entirely selfless or unrewarding but they are expected to at least partly reflect unselfish, ethical, altruistic motives, and not simply focus on the satisfaction of wants and needs (Peattie 2012) (Fig. 6.2).

To date, VBN is efficiently applied to specific pro-environmental behaviors such as energy policy support (Steg et al. 2005); support for climate change policy (Dietz et al. 2007); acceptance of disincentives to driving (Jakovcevic and Steg 2013), environmental friendly transport choice (Lind et al. 2015), conservation behaviors in national parks (Van Riper and Kyle 2014), and household recycling (Aguilar et al. 2012; Dursun et al. 2017a). However, it must be noted that NAM and VBN theory have successfully explained "good intentions" and low-cost environmental behaviors (Steg and Nordlund 2012).

6.3 Psychological Barriers

Given the conclusion above, there is a critical question that: How moral norms will influence responsible consumptions if those behaviors are perceived to have a high personal cost? At this point, some psychological mechanisms are argued to be activated to help consumers pursue activities that do not correspond with the personal moral obligation to preserve the environment (e.g., Schwartz 1968; Tyler et al. 1982; Bandura 2007). For example, Tyler et al. (1982) found that the perceived cost of energy conservation decreases the effectiveness of moral appeals through defensive denial mechanism. At this point, it is important to acknowledge that the overall cost of a responsible practice does not need to be consisting of monetary cost. Although monetary cost often appears as an external barrier for pro-environmental behaviors (e.g., Tanner and Kast 2003; Blake 1999), there are some other cost components such as the cost of changing well-established habits, psychological costs stemming from conflict with other values, goals, and aspirations and perceived risks related with the responsible alternatives (Gifford 2011).

VBN theory (Stern 2000) looks to three personal values that predispose people to protect the environment. Those values include altruism toward others (altruistic value), altruism toward other species and the biosphere (biospheric value) (Stern et al. 1999) and, finally, egoistic values focus on personal needs and self-promotion which are usually found to be negatively related with the environmental attitudes and behaviors (Thøgersen 2014; Nordfjærn and Zavareh 2017). Stern and Dietz (1994) presume that individuals may hold several value orientations to some degree meaning that a person may hold both altruistic and egoistic values to some extent which provide a fertile ground for conflict.

In many studies, the conflict between environmental values and consumption-related values, goals, and aspirations are discussed as a reason to resistance to responsible consumption. The basic tenet of those discussions is that consumption does not only include functional benefits by satisfying needs for food, housing, and transport, but it is also implicated in processes of identity formation, social distinction, identification, meaning creation, and hedonic "dreaming" (Jackson 2005). Likewise, products, "are not simply technical, but include a multitude of symbolic, psychological, and cultural services, both to the consumer and to society" (Heiskanen and Pantzar 1997: 433). Thus, responsible lifestyles may pose a social cost since ownership and consumption are often perceived as important status symbols (Lorenzoni et al. 2007. Consistently, McGregor (2008: 263) remarks that "in a consumer society, people simply do not like it when they are told that their consumption habits harm those living elsewhere, the next generation, those not yet born, and the environment and other species. They have been socialized to see their role as a good consumer, meaning spending and accumulating material items for the good of the economy, democracy, and society. In a democratic, capitalistic society, materialism is often the way by which people distinguish themselves from others, instead of through their relationships." According to this point of view, recommended responsible lifestyle is concluded to be costly because it threatens or at least challenges consumers' certain motives, needs, freedom to do or believe what they desire, self-identity and ego (see Eagly and Chaiken 1993 for literature review).

Besides, responsible lifestyle requires a shift in the definition of a meaningful life and well-being toward a new frame "radically less dependent on the mass consumption and materialism" (Brown and Vergragt 2016: 2). This shift can be considered as a loss of life quality by consumers who are become accustomed to a particular standard of living (Lorenzoni et al. 2007) and may dilute consumers' satisfaction and pleasure which, in turn, likely to push up the psychological cost of RC. Finally, environmentally friendly behaviors require additional effort and time for planning and adopting them which, in turn, increase their perceived costs (d'Astous and Legendre 2008; Gifford 2011).

In sum, psychological mechanisms are activated when the anticipated cost of suggested behavior is high, or the behavior is difficult to integrate into existing lifestyles (Schwartz 1968; Schwartz and Howard 1980; Pelletier et al. 1999). Empirical studies, which are yet very limited, revealed that when mechanisms are activated they hinder pro-environmental behaviors directly (d'Astous and Legendre 2009; Feygina et al. 2010; Wells et al. 2011; Bruner 2014) or indirectly (Schwartz and Howard 1980; Pelletier et al. 1999; Hatfield and Job 2001; Gifford and Chen 2017; Dursun et al. 2017b).

6.3.1 Denial Mechanisms

In recent years, "denial" cited as a prominent mechanism inhibiting the pro-environmental, moral, and ethical consumption behavior (e.g., Opotow and Weiss 2000; Stoll-Kleemann et al. 2001; Chatzidakis et al. 2007; Lorenzoni et al. 2007; Feygina et al. 2010; Gifford 2014). Denial is defined as "a form of selective inattention toward threat-provoking aspects of a situation to protect a person from anxiety, guilt, or other ego threats" (Opotow and Weiss 2000: 479). It is indicated to be the most primitive, least complex, least mature form of unconscious defense mechanisms (Cramer et al. 1988). Essentially, it is an avoiding maneuver which is "accomplished by attaching a negative marker (e.g., "no", "not") to a perception, thought or feeling. In this way, thought or feeling that would be upsetting if accurately perceived, are ignored or misrepresented" (Cramer 2009: 2). The mechanism works through influencing the analysis of facts, the allocation of blame, the assessment of one's contribution to the problem, and the evaluation of trade-offs that can solve the problem (Thøgersen 2014). In the PC context, denial mechanisms may justify the emotional dissonances a person can experience when confronted with the challenge of changing much-preferred consumption patterns and lifestyles for the sake of environmental benefits (Stoll-Kleemann et al. 2011).

The literature to date has identified various forms of denial mechanisms used in the context of responsible behaviors. Those mechanisms include denial of responsibility (Stoll-Kleemann et al. 2001; Lorenzoni et al. 2007; Chatzidakis et al. 2007; Mcgregor 2008; Eckhardt et al. 2010; Stich and Wagner 2012; Gruber and Schlegelmilch 2014; De Bock and Van Kenhove 2011), denial of environmental problem (Feygina et al. 2010; Gifford and Chen 2016; Stich and Wagner 2012), denial of outcome severity or risk (Opotow and Weiss 2000; Hatfield and Job 2001; Hendrickx and Nicolaij 2004; Gifford 2011), denial of injury and victim (Chatzidakis et al. 2007; Mcgregor

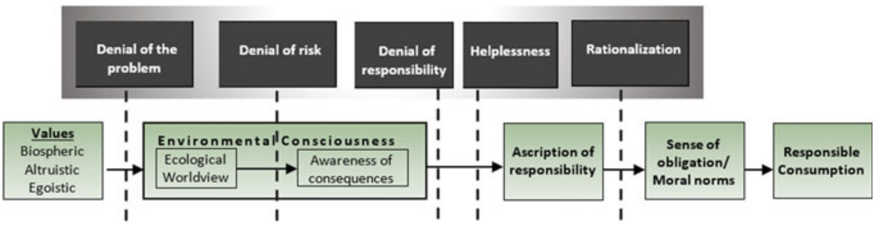

Fig. 6.3 Roles of denial mechanisms in a Value-Belief-Norm model of responsible consumption

2008; Gruber and Schlegelmilch 2014; De Bock and Van Kenhove 2011), denial of stakeholder inclusion (Opotow and Weiss 2000), and denial of benefit of individual action (Brunner 2014) (Fig. 6.3).

6.3.1.1 Denial of the Problem

VBN theory presumes that acceptance of a new ecological paradigm (NEP) or worldwide is the first stage of belief structure on the way to responsible consumption. Ecological worldview as a fundamental component of belief systems refers to the view that human actions have substantial adverse effects on a fragile biosphere (Stern et al. 1999; Dunlap et al. 2000). Accordingly, consumers should be knowledgeable about the environmental degradation as a prerequisite to forming further beliefs regarding the threats and eventual solutions. However, it appears that the barrier to NEP built by denial of problem, which is studied by various researchers (Lorenzoni et al. 2007; Feygina et al. 2010; Wells et al. 2011; Gifford and Chen 2017; Dursun et al. 2017b).

Denial of the problem refers to resistance to accepting that there is an environmental problem threating the valued objects. McDonald et al. (2015) explain the dynamics of problem denial mechanism by psychological distance phenomenon which functions iteratively and affects the acceptance of an ecological issue. Researchers indicate that, as the first line of denial, people fell a hypothetical distance referring to the lack of belief that there is an environmental degradation exist or will occur in the future. This is termed as "denial of the problem existence" in this chapter. At the later stage, when consumers accept the existence of an environmental problem certainly, they might still feel psychologically distant from the issue because they believe that its potential impacts are a long way in the future. On the next stage, consumers may perceive the problem as psychologically distant because they believe that its impacts will be serious in geographically distant areas. Even they accept the reality, the imminence of the problem and its local impacts people might still distant themselves from the problem through believing that impacts of the problem will be more severe for socially distant people (McDonald et al. 2015). Those last three stages comprise "denial of risk" that environmental degradation might pose on the person.

Denial of the Problem Existence

Denial of the problem existence describes the "refusal to admit certain aspects of degradation reality" (Stich and Wagner 2012: 412). It is reasonable to some extent because, for a layperson, it is not easy to detect environmental degradation such as ozone hole, accumulation of green gases since those problems are not immediately tangible, grow so slowly that sometimes it takes decades to develop fully (Kollmuss and Agyeman 2002). Indeed, some environmental problems such as air pollution remain so invisible to the public until it has reached unacceptable proportions (Opotow and Weiss 2000). Therefore, it is very hard for a consumer to detect a symptom, think, feel, and act about it. If consumers do not experience any environmental problem or its impact, they are more likely to ignore the problem since the personal observation of environmental problem symptoms is cited as the primary drivers of the beliefs about a problem (e.g., climate change) (Gifford 2014).

At this point, with an attempt to improve the community's environmental awareness, many governmental and non-governmental organizations focus on information-intensive programs. Those programs aim to fill an alleged public information deficit on the causes and consequences of an environmental problem (e.g., global environmental change), and to tell individuals precisely what actions consumers should be taking (Hobson 2002). However, conventional mass media projects in the social context are recognized to bring about little or no impact on public behavioral change (Mckenzie-Mohr 2000; Hobson 2002). It is not surprising since consumers, who do not want to change the long-standing status quo of indifference and inaction toward the environment, are prone to resist to scientific and public policy information about impeding environmentally problems (Feygina et al. 2010). In this context, denial of the problem forms a barrier for further belief structures that will promote responsible consumption.

Cognitive Dissonance Theory (Festinger 1957) provides a framework that helps to understand the mechanism. The theory posits that "involuntary" exposure to attitude-discrepant information produces a dissonance arousal which can be restored by (1) changing one's attitude toward the issue or (2) via some mechanisms that reduce the dissonance (Eagly and Chaiken 1993). In the responsible consumption context, information about the degradation and negative effects of mindless consumption habits on the environment produces a dissonance arousal for the people who are not willing to make personal sacrifices from their personal comfort, personal freedom, and lifestyle selected, in the name of environmental gain. However, if the consumers deny the problem, then no change will be required on existing beliefs, emotions, and behaviors.

When consumers hold a high level of commitment to their ongoing environmentally unsound lifestyle, they may resist the pro-environmental persuasion efforts via micro-mechanisms such as selective exposure (Wellins and McGinnies 1977; Zuwerink and Devine 1996; Mello et al. 2006), and biased assimilation (Lord et al. 1979; Pomerantz et al. 1995; Ahluwalia 2000). Here, selective exposure refers to consumers' avoidance of opinion-challenging, lifestyle-threatening information. It is expressed as a low preference and low attention for exposure to non-supportive materials and a short time spent on engaging exposure behaviors such as reading or watching (Eagly and Chaiken 1993). Even if consumers are exposed to an attitude-inconsistent communication (e.g., a message including the evidence regarding the harmful effect of a well-established consumption practice), consumers may still deny the message through discrediting its validity with the help of source derogation, argument scrutiny, or selective memory search (Ahluwalia 2000: 219). Supporting the roles of these micro-mechanisms, a "distrust to information sources" was observed by Lorenzoni et al. (2007). They found that scientific evidence about the problem is likely to be perceived as unreliable, incomplete, and conflicting. Researchers also reported consumers' belief that the problem is exaggerated by the media which is often accused to be too alarmist about the issues. Consequently, consumers tend to disbelieve the evidence regarding the problem, distrust information source, think that problem is exaggerated, and conclude that is not a critical issue (Lorenzoni et al. 2007). Wells et al. (2011) report those feelings of distrust the media is negatively related to consumers' environmental responsiveness in leisure, purchasing, in-home and travel activities. Although biased assimilation mechanism can be easily disabled by strong messages (Ahluwalia 2000; Dursun and Tümer Kabadayı 2013), "controversial and dubious nature" of the ecological information (Moisander 2007: 407) appears to promote problem denial.

Empirical evidence on consequences of problem denial is hardly scarce but still sufficient to support predicted hindering influence of the mechanism. For example, Feygina et al. (2010) found an adverse relation between environmental denial and behavior. Recently, Gifford and Chen (2017) provide empirical evidence that problem denial has a robust diminishing impact on mitigative food choice intention. Consistently, Dursun and her colleagues (2017b) found that denial of the problem was the most effective mechanism which reduces the energy conservation indirectly, through diminishing the moral obligations.

Denial of Risk

Pro-environmental behaviors (i.e., responsible consumption) depend, among other factors, on the extent of which environmental problems are perceived to be a risk where risk refers to the situation or development that may result in negative consequences (Gattig and Hendrickx 2007). Correspondingly, as the perceived risk increases people become more prone to pro-environmental attitudes and behaviors (e.g., Pahl et al. 2005). In a similar vein, VBN framework highlights the role of awareness of consequences referring beliefs that environmental condition poses a threat to valued objects (Stern et al. 1999; Stern 2000). However, McDonald et al. (2015) indicate that people, who have to accept that the problem exists, may still remove the adverse outcomes of the problem from their self. In other words, even if consumers are knowledgeable about the degradation they may fail to embrace its eventual threat to themselves and persons they love. This may provide a partial explanation why people remain inactive concerning pro-environmental behaviors despite their awareness of the declining state of the environment (Pelletier et al. 1999).

Environmental psychology research indicates that consumers, who are reluctant to make sacrifices from their consumption habits, are likely to make unrealistic judgments about risks (Gifford 2011). Because environmental risks are often characterized by high level of uncertainty, by strongly delayed consequences and by consequences that occur at distant places they may be discounted (Gattig and Hendrickx 2007) more easily. There are some empirical findings revealing that assessments of current environmental conditions decreased significantly as geographical distance from the person increased (Gifford et al. 2009). Judgmental risk discounting contributes to lack of concerns and preparedness for pro-environmental behaviors because people believe that it is not an immediate threat and consequences will occur in the distant places and future times (Gifford 2014).

Another unrealistic environmental risk judgement is "optimism bias" or "comparative optimism" which describes a strong belief that one is less likely to suffer negative events, more likely to experience positive events and they will have a better future than their peers (Hatfield and Job 2001; Pahl et al. 2005). Hatfield and Job (2001) found partial support for this argument. Accordingly, people believe in that their own areas are less likely to be affected by environmental problems. Although no direct relationship was observed between pro-environmental behavior and optimism bias Pahl et al. (2005) reported consumers' beliefs in that they are less likely to experience health effects because of nuclear power, air, and water pollution than were others. In another study by Lorenzoni et al. (2007) only 44% of the respondents were observed to agree that they are being affected or will be affected personally by the climate change.

As a result of low level of perception about the environmental problems and their potential risk people are argued to be less likely to take precaution (Hatfield and Job 2001); and do not find in themselves the energy needed to change their habits or to make the necessary sacrifices (Pelletier et al. 1999). Risk denial may lead impaired moral intensity of the issue, and fuel consumers' belief pertaining there are other issues more critical (risky) than environmental problems so prefer to pay attention to more immediate priorities (Lorenzoni et al. 2007). However, the empirical evidence on the direct and indirect relationship between risk denial and responsible consumption is still lacking.

6.3.1.2 Denial of Responsibility

VBN theory presumes that if consumers are aware of environmental degradation caused by human actions and threats, they will be more likely to feel responsible for the negative consequences of not acting pro-environmentally. However, the literature indicates that even if the consumers acknowledge environmental problems which pose prominent threats, they may resist changing environmentally unsound behaviors via neutralizing their ongoing consumption practices by denying their responsibility for the issue. Indeed, the majority of unsustainable consumption studies have shown that denial of responsibility is a prominent barrier for pro-environmental behaviors (Blake 1999; Tanner 1999; Lorenzoni et al. 2007; Bandura 2007; McGregor 2008). Responsibility denial is a defensive strategy, which neutralizes the feelings of moral obligation in the situation of behavioral choice (Schwartz and Howard 1980). The literature identifies a series of cognitive maneuvers which can be interpreted as reflections of denying the personal responsibility. Those maneuvers appear to belong to one of the two groups including (1) denying responsibility for contributing to the environmental problems and (2) denying responsibility for tackling those issues.

Initially, consumers are prone to reject the blame on them for their contributions to the environmental problems and harmful outcomes. To resist accepting the share of responsibility for causing degradation consumers are likely to degrade, minimize or dispute the detrimental effects of their ongoing practices (Bandura 2007). Indeed, adverse side effects of each individual action are usually small and invisible to the actor, while their accumulated impacts cause considerable harm (Thøgersen 2014). It is not surprising, therefore, that consumers displace and diffuse the responsibility and blame "other" forces and actors for the environmental burden. Here, "others" may include:

- business and industry (Lorenzoni et al. 2007; Wells et al. 2011),
- central and local government and politicians (Eckhardt 2010; Wells et al. 2011),
- other industrialized countries (global level) (Lorenzoni et al. 2007),
- developing countries (Wells et al. 2011),
- other consumers (Heath and Chatzidakis 2012),
- education system ineffectiveness to teach a sustainable lifestyle (Stoll-Kleemann et al. 2001),
- marketing practices fueling the culture of consumption (Heath and Chatzidakis 2012),
- NGOs/Not-for-profit organizations (Wells et al. 2011),
- local community groups (Wells et al. 2011),
- and other factors beyond consumers' control (De Bock and Van Kenhove 2011).

Wells et al. (2011) found that private industry was seen as the most responsible actor for causing the environmental problems (e.g., climate change). This can be partially due to double standards which De Bock and Van Kenhove (2011) argue that consumers are prone to use while evaluating a socially or environmentally unsound practice. The researchers emphasize that even if consumers know that their behaviors are harmful in some way, they judge the behavior of business more harshly.

On the other hand, local, national, or international governments are often blamed for the environmental destruction (Lorenzoni et al. 2007). First of all, they are blame for not taking political action against the "greed" companies (Lorenzoni et al. 2007). Besides, they are imputed of doing nothing to make consumers aware, encourage and even force them to engage in responsible behaviors (Lorenzoni et al. 2007; Eckhardt et al. 2010). Some consumers feel that legislation and laws are the way to fix things and when something is legally available to them, they believe that it must be okay to buy it (Eckhardt et al. 2010). When considered from this point of view, if it is legal to buy a product on the market and the product does not have a mark addressing its harm to environment consumers do not feel a responsibility to question if it is an eco-friendly product or not. In this way, they conclude that if there is an environmental problem, it is the government has failed not them (Eckhardt et al. 2010). Consequently, "as long as the harmful results of one's practices are ignored, minimized, or the evidence is discredited, there is little reason for self-censure to be activated, or any need to change behavioral practices" (Bandura 2007: 21).

Actually, even if consumers accept their contributions on the degradation they may still not act because they do not feel that they (as individuals) should take responsibility for helping to solve environmental problems (Blake 1999). They are more likely to ascribe responsibility to "others" and wait for them to act before making sacrifices (Stoll-Kleemann et al. 2001). This is possible because (1) they see others (i.e., business industry) responsible for causing the problem or (2) they conclude that actions of "others" will be more effective (Blake 1999). For example, Wells et al. (2011) found that consumers postulate private industry to take the responsibility to tackle the problem since the industry is blamed to be the primary source of the problem. Researchers also reported that most of the consumers saw the government responsible for taking the lead solution even though they did not find government responsible for causing the environmental problem. This is probably because they believe that legislation and the laws are a more efficient way to fix the problem (Eckhardt et al. 2010: 431). This government dependency is reported to diminish consumers' responsible household, travel, purchasing, and leisure practices (Wells et al. 2011).

6.3.2 Helplessness

VBN theory postulates that ascription of responsibility does not only refers to the acceptance of the personal responsibility for the causing and alleviating the problem but to believe in that one "can" mitigate the problems through individual actions (Stern et al. 1999). To some extent, it corresponds to perceived consumer effectiveness which refers to consumers' confidence regarding their ability to contribute to the solution (Berger and Corbin 1992). Perceived consumer effectiveness was typically found to encourage environmental behaviors (Ellen et al. 1991; Roberts and Bacon 1997; Tümer Kabadayi et al. 2015).

However, unsustainable consumption research revealed that consumers may deny the effectiveness of their individual efforts through a biased cognitive evaluation. Brunner (2014) terms this phenomenon as denial of benefits (of personal efforts). Particularly when the ecological problems perceived as intractable due to its severity consumers may develop a helplessness belief which, in turn, leads amotivation for responsible behaviors (Pelletier et al. 1999). Accordingly, helplessness may be developed because consumers believe in that:

- the magnitude of the ecological disaster is such that is not likely that individual behavior may have an impact on it (Pelletier et al. 1999)
- individual efforts are a waste of time since environmental problems are global and other countries, economic sectors do not act on their own accord (Lorenzoni et al. 2007; Gifford 2011)
- other consumers would not follow suit so that one can change nothing alone (Lorenzoni et al. 2007; Gifford 2011)
- it is too late to do anything, and the damage is irreversible by human action (Lorenzoni et al. 2007)
- government's economic and political concerns will inhibit the effects of personal efforts (Stoll-Kleemann et al. 2001)

Supportively, Wells et al. (2011) provide empirical evidence that environmentally responsible consumption decreases when consumers believe that it is too late to do anything, and other consumers would not follow them.

Moreover, consumers, who acknowledge the effectiveness of their particular course of action, may feel amotivated because they believe that they do not have enough capacity or ability to perform the required behavior (Pelletier et al. 1999). Consumers may have an overconfident belief that technology is capable or will be capable in a near future of solving environmental problems (Lorenzoni et al. 2007; Gifford 2011), and this belief may lead to amotivation for individual effort. There is also empirical evidence regarding the hindering effect of denial of effectiveness on personal norms to conserve energy (Dursun et al. 2017b). More empirical research is needed on the role of the mechanism. One can argue that helplessness is the reverse form of perceived effectiveness. However, given the asymmetric impact of good and bad attitudes on the behavior (Baumeister et al. 2001), the impeding role helplessness mechanism is worth to be investigated distinctly.

6.3.3 Rationalization

VBN theory presumes that if consumers believe that they have both responsibility and ability to alleviate threats posed by environmental problems personal norms will be activated (Stern et al. 1999). However, when responsible behaviors do not serve to self-interest consumers may be reluctant to engage in responsible actions, even if they accept responsibility and self-effectiveness. In this context, rationalization is interpreted as a neutralization technique that activated when the costs of an environmentally sound behavior outweigh its benefits. The mechanism helps consumers to remain committed to the normative system and qualify their actions as "acceptable" if not "right" (Chatzidakis et al. 2007: 90). The mechanism included the citations of cost as more important than any other considerations (Eckhardt et al. 2010). It is recognized that environmentally responsible actions cost more in time, effort, and money for the person. Gruber and Schlegelmilch (2014) introduce a group of detracting consumers who are not interested and willing to engage in environmental actions although they appreciate the underlying idea of those efforts. Accordingly, some consumers are "motivated by the achievement of personal goals rather than societal ones and, therefore, do not want to commit time, effort, or money to acting in a more sustainable way" (Gruber and Schlegelmilch 2014: 39).

In this context, monetary cost often appears as an external barrier for pro-environmental behaviors (e.g., Tanner and Kast 2003; Blake 1999). For example, some energy-saving practices (e.g., solar systems, energy-efficient bulbs, home isolation) require a capital investment that is not so clear how long is the payback (Gifford 2011). This is especially the case for the "people who did not own their own property, who is expected to make the capital investment for household environmental improvements which would not necessarily benefit them directly (Blake 1999). On the other hand, avoiding using some environmentally harmful products (e.g., cars) on which consumers previously made a financial investment is perceived as an expense “thrown away” (Gifford 2011: 294). Given that people are generally loss-averse (Gifford 2011), it is not so surprising that consumers even who have significant concerns about the environment do not like the idea to pay more for eco-friendly options (Eckhardt et al. 2010). However, as discussed previously, the overall cost of a suggested responsible option also includes the cost of switching well-established habits and conflicting values, goals, and aspirations (Gifford 2011).

Consumers may assert that it is not convenient to behave environmentally friendly (Lorenzoni et al. 2007) since many responsible practices are beyond consumers’ comfort zone. Foreseen additional effort required for engaging in eco-friendly actions likely to increase perceived cost (d’Astous and Legendre 2008). Gifford (2011) also identified a shared concern about the time spent on planning and adopting the new course of responsible actions that might fail to produce the desired results. Besides, some responsible behaviors such as bicycling instead of using cars are likely to lead injuries (especially in the areas with lack of required infrastructure) so perceived to be physically riskier. On the other hand, responsible consumptions are perceived to have some macrolevel costs. Consumers may argue that for the economic growth of the country and to reach a decent standard of living in the country, the ethical and moral aspirations must be put aside (d’Astous and Legendre 2009; Eckhardt 2010).

Overall, as a result of a cost-benefit analysis, consumers may conclude that responsible behaviors do not serve consumer utility at all. Consequently, rationalization is expected to block the relation between responsibility and norms. To the best of my knowledge, d’Astous and Legendre (2009) are the only researchers who provide empirical support for the direct and indirect hindering effect of rationalization. They found that economic rationalization is inversely related to not only sub-dimensions of socially responsible consumption (SCR), but also with knowledge about SRC, involvement in SRC, and also perceived effectiveness.

6.4 Conclusion

Consumption is referred “as the reason why anything gets produced, and consumption and production together are the source of all man-made stress on the natural environment” (Heiskanen and Pantzar 1997: 409). Thus, individual consumers have been a critical target for national and international policies for sustainable development. However, promoting a more responsible, eco-friendly and pro-environmental lifestyle is not easily given the eventual costs of these new lifestyles. Hopefully, ongoing environmental education programs aim to produce a citizenry that is knowledgeable concerning the biophysical environment and its associated problems aware of how to help to solve the issues (e.g., via pro-environmental practices) and motivated to work their solutions (Stapp 1969). However, consumers, even those who are knowledgeable or concerned about the environmental degradation, are reluctant to engage in more responsible behaviors (Pelletier et al. 1999). It appears that the relatively higher costs of many pro-environmental practices (Kollmuss and Agyeman

2002) provide a fertile ground for the activation of psychological mechanisms which help consumers to continue their harmful consumption patterns. Although, those mechanisms (e.g., denial) can promote a healthy functioning as a common way of coping with problems and conflicts they can also block attention to potential dangers to well-being (Opotow and Weiss 2000: 479) or taking preclusive actions against threats, as in the case of environmental issues. Unfortunately, while the promoting factors have been widely studied, little is known regarding the roles of psychosocial mechanisms in the way to responsible consumption since they are less systematically researched (Pelletier et al. 1999; Thøgersen 2014).

To extend the theoretical knowledge, this chapter reviews and discusses the hindering role of five mechanisms, which are listed and described in separate studies previously. For this purpose, a VBN framework (Stern 2000) was applied. VBN theory suggests chain effects starting from the personal values and move toward moral obligations to preserve environment which is proposed to be the main determinant of responsible consumption. To date, the theory was successfully used to explain underlying promoting factors for low-cost environmental behaviors (Steg and Nordlund 2012). However, the theory also provides a useful framework for understanding the roles of hindering mechanisms on the way to high-cost responsible consumptions.

At the first step, VBN theory proposes that consumers' altruistic values will help to accept a view that human action has substantial adverse effects on the environment and cultivate an awareness regarding the degradation and its threats to valued objects. However, if consumers ascribe a high cost to responsible behaviors, they may deny the problem to avoid a dissonance arousal (Festinger 1957). To deny the problem, consumers may avoid getting information about the environmental problems (e.g., Wellins and McGinnies 1977) or discredit the validity information they are exposed to (e.g., Lord et al. 1979). In this way, denial of problem builds a cognitive barrier to environmental consciousness. On the other hand, even if consumers accept the existence of an environmental problem, they may discount the risk that posed by those problems through some biased cognitive evaluations. Risk discounting may block an advanced knowledge about the consequences of the problems. In this way, consumers may distant themselves from the environmental problem and its eventual threats.

VBN theory also presumes that consumers who have a higher level of awareness regarding the problems and its eventual risks will also have a higher level of responsibility feeling. But consumers may resist ascribing personal responsibility for contribution and solution of the problem through laying the burden on other actors, such as government, business industry, or other consumers (e.g., Blake 1999; Lorenzoni et al. 2007). Besides, consumers may deny the responsibility through a biased judgment regarding their inability to alleviate the problems (Pelletier et al. 1999). Blaming others and asserting personal ineffectiveness are a barrier to form responsibility feelings for the negative consequences of not acting eco-friendlier.

Finally, VBN theory proposes that personal moral norms will be activated when consumers accept their personal responsibility and effectiveness to reduce environmental burden. However, consumers may distant themselves from the feeling of moral obligation through rationalization. Consumers are prone to believe that they should focus on the achievement of personal goals rather than societal ones, of which costs are perceived to be higher than their benefits (Gifford 2011).

Given the discussion above, it is safe to conclude that there is an eventual psychological barrier for each stage of the Value-Belief-Norm route to the responsible consumption. Considering the complex interaction of promoting and hindering factors, the ineffectiveness of conventional mass media projects for behavioral change (Mckenzie-Mohr 2000) is not so surprising. At this point, social marketing appears as an alternative and promising approach for overcoming the barriers and facilitating the change toward more responsible consumption patterns.

Social marketing implements marketing principles to ensure voluntary behavioral change at a target group to augment social welfare and also provides a straightforward approach in ecological issues (Kotler and Zaltman 1971; Andreasen 1994; Takahashi 2009; Kotler and Lee 2010). Social marketers seek to motivate target audiences to adopt a new behavior, cast aside a potential undesirable behavior, change an actual behavior or give up an old unwanted behavior (Cheng et al. 2011). In common with commercial marketing, social marketing starts with diagnosing the problem (Cheng et al. 2011). And more importantly, they use a segmentation strategy to develop appropriate initiatives (Kotler and Lee 2010). Indeed, psychological mechanisms are used to different degrees (Bruner 2014) and various forms of mechanisms may be overlapped (Blake 1999). Even so, segmenting irresponsible consumers according to their primary psychological barrier against to change is vital to design effective campaigns for motivating responsible lifestyles. Further empirical research on the impeding roles of the mechanisms and factors that trigger and alleviate these mechanisms may provide useful insights for social marketers.

Finally, it is essential to note that overcoming the barrier and changing the way consumer think are not sufficient alone. Indeed, even if consumers overcome all the psychological barriers, they may still fail to engage in responsible consumption because of some practical, social, and institutional obstacles (Blake 1999) since they rarely have complete freedom to choose between a sustainable and unsustainable lifestyle (Thøgersen 2014). Accordingly, there can be a range of human limitation or technology-structural limitations (Thøgersen 2014) retaining consumers make sustainable choices even for whom feeling high moral obligations. Those external inhibiting factors which also increase the anticipated cost of responsible consumption need to be averted.

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Chapter 7
Corporate Social Responsibility in Packaging: Environmental and Social Issues

Meltem Kiygi-Calli

Abstract Today, "corporate social responsibility" is becoming popular. For this reason, companies are focusing on corporate social responsibility projects in order to reach consumers with social responsibility who attaches importance to this issue. Companies also use packaging, which is often used as a means of marketing communication, to promote their corporate social responsibility projects to the consumers. In this chapter, social responsibility in packaging has been explored in details. When the issue of social responsibility is addressed in packaging, only in environment-friendly packaging but also the necessity of dealing with many different factors is explained in this section. In addition to this, how social responsibility communication can be done through packaging is also examined.

Keywords Packaging · Corporate social responsibility · CSR communication · Cause-related marketing

7.1 Introduction

Corporate social responsibility (CSR hereafter) has gained popularity in the business world. Retailers have realized that CSR is a demand from the markets. For this reason, a huge number of companies have implemented corporate social responsibility programs into their business plans to demonstrate that they consider the economic, social, and environmental impacts of their activities to gain a competitive advantage in the marketplace. The essence of ethical marketing practices and corporate responsibility programs lies in helping companies to create a positive corporate image and helping customers to increase their desire to buy corporate's products (Pirsch et al. 2007). However, retailers should also consider how they will achieve their business goals while meeting their sustainability commitments to customers. In addition, retailers must also fulfill their commitments to the consumers for their product range.

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CSR covers both social and environmental issues and its practices are mainly voluntary. Retailers propose consumers an ethical offer such as brands with social and/or environmental elements. Due to the laws and regulations, the importance of CSR has increased (Tekin et al. 2015). Laws and regulations that transform CSR practices into compulsory practices are considered to be the most crucial factors. Companies have realized the vital importance for the environment, started to adapt a few strategies, and changed their way of doing business. From an environmental point of view, these companies include environmental issues as an important part of social responsibility. In particular, when it comes to managing supply chains, it is also important to consider whether all suppliers and other companies in the chain have implemented CSR activities and practices. All companies, including suppliers, are responsible for not harming the environment, reducing waste and pollution, controlling gas emissions and complying with government regulations, while at the same time reducing costs and increasing profits (Tekin et al. 2015).

In addition to environmental and regulatory factors, social issues remain important. CSR practices require a lot of investment for businesses. On the other hand, companies want to integrate CSR into their processes to achieve higher customer satisfaction, and loyalty, better corporate image and reputation, higher productivity, lower costs, and higher profits. Companies integrate CSR practices into their business processes such as purchasing, warehousing, storage, packaging, transportation, and distribution. Laws and regulations that were enacted recently increased the importance of CSR in packaging. Today, the effects of the packaging process on the environment are addressed through a more holistic approach in the framework of product life cycle. The CSR practices in the packaging process can cover various activities such as warehousing or protection against product deterioration. This process requires the use of recycled and non-hazardous materials, reducing waste, reducing energy consumption, and designing the process as not to damage the ecosystem (James et al. 2005). In packaging, the size of the package is often neglected, but the size is an important factor. The size of the packaging directly affects the amount of material used. Companies with products that have optimum-sized packages use their resources more effectively. In addition, a small package helps companies reduce their loading and transportation costs.

In this chapter, the CSR concept in packaging is discussed. In addition, different elements of package design are investigated. Moreover, the influence of the package design on consumers' preference and purchase intention is also examined. Additionally, the CSR communication strategies via product packaging are discussed. The subjects, which are covered in this chapter, help manufacturers, which conduct CSR activities, to have more appropriate packaging design for their products and to understand the CSR communication strategies.

Corporate Social Responsibility

Corporate social responsibility (hereafter CSR) emerges as a concept that assesses the effects of companies on environmental and social well-being. CSR is also called corporate conscience, corporate citizenship, or responsible business (Wood 1991). Corporate social responsibility is defined differently by different authors. Tench and

Yeomans (2009) define CSR as "*an organization's defined responsibility to its society(ies) and stakeholders.*" Another definition of CSR by Jobber and Ellis-Chadwick (2012) is "*the ethical principle that an organization should be responsible for how its behaviour might affect society and the environment*." Das Gupta (2012) defines CSR as "*the way companies achieve enhanced ethical standards and a balance of economic, environmental and social imperatives addressing the concerns and expectations of their stakeholders.*"

With increasing concerns over ethical issues, Carroll (1991) formed a model in which corporate social responsibility changed from traditional economic and legal responsibility to ethical and philanthropic responsibility. Carroll (1991) created a pyramid model, named as the responsibility pyramid, which consists of four layers, each representing a different institutional responsibility. The four layers of the responsibility pyramid are economic, legal, ethical and philanthropic, from top to bottom, respectively (Fig. 7.1).

According to Carroll and Buchholtz (2003), the responsibility pyramid should be seen as a whole and the different layers should not be separated from each other. Economic responsibilities are based on profitability of the business, lower costs, and maximizing sales or making reasonable strategic decisions. Legal liability is that businesses comply with the law. Ethical responsibilities are not obligatory but are responsibilities expected by society. Ethical responsibilities are the responsibility of preventing suspicious practices or working beyond the minimum standard of law.

Fig. 7.1 Carroll's responsibility pyramid. *Source* Carroll (1991)

Philanthropic responsibilities are at the top of the pyramid. Being a good corporate citizen and raising the standard of living of the society can be given as examples of these responsibilities. Moreover, Business Dictionary (2018) defines CSR as "*A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship (1) through their waste and pollution reduction processes, (2) by contributing educational and social programs and (3) by earning adequate returns on the employed resources.*"

Consumers nowadays want businesses to take a more proactive approach to issues such as improving the environment and supporting charitable organizations (Popoli 2011). On the other hand, Oppewal et al. (2006) show that not all CSR activities are attractive to consumers. For the purposes of this chapter, the topic of CSR in packaging is mainly discussed in the following sections.

7.2 Packaging and Package Design

American Marketing Association (2013) defines marketing as "the activity, set of institutions and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." McCarthy (1960) categorized various marketing activities into four marketing mix tools and he called these tools as the four P's of marketing: product, price, place, and promotion. All businesses develop their own marketing strategies to meet the needs and desires of target markets. Businesses aim to create marketing strategies and provide customer satisfaction by taking the elements of the marketing mix as a whole.

Klimchuk and Krasovec (2013) define packaging as "*the act of wrapping or covering an item or group of items*" and product design as "*a creative business that connects form, structure, materials, color, imagery, typography, and ancillary design elements with product information to make a product suitable for marketing.*" Additionally, Agariya et al. (2012) define packaging as "*the wrapping material around a consumer item that serves to contain, identify, describe, protect, display, promote, and otherwise make the product marketable and keep it clean.*" The functions of the packaging are given below (Rundh 2005):

- Packaging protects,
- Packaging preserves,
- Packaging facilitates distribution,
- Packaging promote customer choice,
- Packaging sells,
- Packaging informs and instructs,
- Packaging provides consumer convenience,
- Packaging help contain prices,
- Packaging promotes hygiene and safety,
- Packaging is innovative.

Packaging design is used to protect, transport, distribute, store, identify, and distinguish a product in the market. Packaging is one of the marketing decision areas of the "product" which is one of the elements of the marketing mix (Perreault et al. 2013). In addition, packaging is one of the tangible components of the product and is an important factor affecting consumers' purchasing decision.

Package provides certain information on product features for customers along with a creative industrial design. That's why the package may draw the customers' attention to the product and directs them to look at the product features in detail. Therefore, packages are commonly used as a marketing communication tool by companies. Packaging may attract consumer attention toward one particular product (Rundh 2005). After consumer is attracted to a product, he/she most probably buys that product. Today, the number of similar products is increasing. For this reason, companies use product packaging as an effective marketing tool in order to differentiate their products from others and to enable their products to be purchased (Koyuncu 2007). Without different packaging designs, the products would look very similar to each other. Therefore, products in the same structure would be identical, if there was no packaging design. Marketers should determine product designs to distinguish their products' appearance and characteristics and provide a clear distinction between products. By the product differentiation, they try to make their products salable. If businesses provide consumers more effective products, higher value, more convenient packages, and clearer information, consumers buy the products of those businesses. Even if it is an impulse buy, packaging design affects the purchase decision of the consumers. Therefore, packaging design is one of the critical factors on the success of the company in the market.

The value, preferences, lifestyles, and habits of the target market help marketers on design strategy and appropriate product communication decisions. The packaging design should visually **a**ttract, stimulate **i**nterest, generate **d**esire, and affect consumers' purchasing decision to convey them to **a**ct (AIDA Model). Consumer buying decisions are often a very complex process. For this reason, it is very important for marketing managers to measure customer satisfaction and repurchase intention (Chandon et al. 2004).

In package design, companies have to decide on various elements such as material, size, color, shape, and graphical design of the package (Kiygi-Calli 2016; Kiygi-Calli and Kilic 2017). For instance, the size of the package is an important factor in packaging because it determines the amount of material that is used. There are category-specific design elements of the brands. Category-specific cues of the design elements might be color, typography styles, characters, structure, and other design elements. Recent studies show that design, graphics, color and material have a significant effect on purchase intention of consumers (Farooq et al. 2015). The companies also conduct many researches on the design of their products' package in order to stimulate the attention of the customers. Moreover, Orth and Malkewitz (2008) investigate how different holistic designs are related to consumer brand impression and suggest different package designs for different brand personality impressions.

Package design elements are influenced by the cultural values of the market. Therefore, marketers use the design elements that attract the target market and use cultural symbols on the package to communicate cultural values. Trends, fashion, art, age, and ethnicity also affect the purchase decision of the consumers (Kang and Kim 1998; Carrigan and Attalla 2001; Tobar 2006). In general, the package design communicates the values of the broader audience. On the other hand, in some cases, it might communicate the values of the very specific population.

Packaging design has many variables that direct consumers to the product. The four top attention grabbers are color, physical structure or shape, symbols, and numbers (imagery), and typography (Klimchuk and Krasovec 2013).

7.2.1 Color

Colors are related to the feelings and thoughts of the people. For instance, according to Wexner's study (1954), the red color was associated with exciting and stimulating. The blue color was associated with secure/comfortable and tender/soothing. The orange was associated with disturbing/distressing/sad. Black color is associated with powerful/strong. In other studies, green elicited feelings of relaxation, calmness, happiness, comfort, peace, and hope. As well as, green was associated with nature, grass, trees and the image of a forest (Saito 1996; Hemphill 1996; Kaya and Epps 2004). In Kaya and Epps' (2004) study, blue elicited feelings of relaxation, calmness, happiness, comfort, peace, and hope. The reason for that blue was associated with the ocean, water, or sky which stimulate relaxing and calming effect. However, color associations differ from one culture to another (Linton 1991; Keegan and Green 2015).

At the same time, colors help us to remember time, space, or objects. Colors can be used to communicate, persuade, reflect emotions, or increase interest in a product. Color is one of the most important elements of packaging design. Packaging and product colors play an important role in keeping the products in mind. Consumers tend to perceive the color of a package or product before any other visual feature. Packaging colors have a psychological impact on consumers and affect their purchase intention. Therefore, purchasing decision is generally made because of it (Bellizzi and Hite 1992; Garber et al. 2000; Kauppinen-Räisänen and Luomala 2010). The color of the package can be changed by the interior design of the store. Because the lighting (aisle lighting, quality of light, the use of color light, etc.) and ceiling height might affect the perception of the color. In this respect, it is better to research the effect of package design on consumers' purchase intentions in the real store environment (Klimchuk and Krasovec 2013).

7.2.2 Structures and Materials

The structure is the physical condition of the product packaging in the hands of the end user. Moreover, the structure is directly related to the ergonomic nature of the packaging. The ergonomic nature of the packaging means that opening and closing properly, dispensing or safely storing the product. Along with the change of human beings, the needs have changed, and packaging materials have also changed and developed in this context. Today, different packaging materials are used together. Thus, more durable and effective packages are obtained (Kocamanlar 2008). Packaging materials are mainly wood, paperboard, metal, glass, glass–plastic, plastic, ecological, and recycled packaging. Structural and material decisions are very important because they lead to a good protection and transportation of the product and to the satisfaction of the end consumer.

7.2.3 Imagery

Consumers look at the pictures before reading the text on the product package. Using imagery on the packaging, which results in gaining attention for brands, is one of the effective design tools (Underwood et al. 2001). There are different mediums for imagery such as illustration and photography. Images, which are combined with printed words, expand the meaning of the overall package design (Klimchuk and Krasovec 2013). The presence of an imagery on the packaging may directly affect the consumer's beliefs about the product as it will inform the consumers (Underwood and Klein 2002). The reasons why the imagery is used in packaging (Klimchuk and Krasovec 2013):

- To show the product,
- To represent the target market,
- To set a mood,
- To provide credibility,
- To emphasize appetite.

7.2.4 Typography

Typography is the use of letters to visually communicate and it is the part of the culture's visual language. It is one of the elements of the graphical design of the product packaging and it affects the consumer's perception (Ampuero and Vila 2006). Typographic expression means expressions with the letters, words, individual characters, symbols, or shapes. Typography also affects the communication via product packaging. The characteristics of the typography might be:

- Readability,
- Size,
- Shape,
- Style,
- Reading time.

7.3 CSR Concept in Packaging Process

Recently, supply chain has emerged as the main focus of corporate social responsibility. Simchi-Levi et al. (1999) define corporations' supply chain as "the process by which several organizations including suppliers, customers, and logistics providers work together to provide a value package of products and services to the end user, who is the customer." Companies have to consider not jeopardizing the environment in all their supply chain functions. In general terms, companies' consideration and sensitivity about environmental issues in all their supply chain processes can be defined as green supply chain management (GSCM). Within the context of GSCM, companies often use three basic approaches (Kopicki et al. 1993). These approaches are reactive approach, proactive approach, and value-seeking approach. Companies, which adapt reactive approach, apply procedures in accordance with current rules and regulations, such as minimum resource use. On the other hand, companies adopting a proactive approach apply procedures to prevent possible future problems. Thus, proactive companies develop programs and policies on how to implement and control green supply chain applications. Companies adapting value-seeking approaches are systematically integrating environmental policies into long-term business strategies. They are also in close contact with suppliers and stakeholders and encourage them to integrate environmental policies into their business processes. Tekin et al. (2015) summarize some environmental CSR practices in the supply chain as follows;

- Purchasing and using recycled materials for packaging,
- Supporting and encouraging suppliers on reducing waste,
- Producing recyclable and reversible materials in production and design,
- Meeting standards for protecting environment in the processes of lifecycle management, production, packaging and storing,
- Supporting suppliers to implement processes to protect environment.

It is important to ensure that these activities and functions are consistent with national and/or international rules, regulations, and standards. In addition, businesses need to work with suppliers that provide these CSR applications in their supply chains. This is also important for companies to have a competitive advantage and sustainable growth.

Companies, which concern over CSR concept, should consider production waste and its impact on the environment. The three "R's"—Reduce, Reuse, and Recycle—is a phrase that characterizes this concern which relates to long-standing of the society (Klimchuk and Krasovec 2013). Considering the three R's has become a part of the consumers' rituals.

In recent years, the term cradle-to-cradle (C2C) is often used in the CSR concept. The C2C concept was developed in the 1970s but popularized by McDonough and Braungart in 2002. Sherratt (2013) defined C2C as "*the design and production of products of all types in such a way that at the end of their life, they can be truly recycled (upcycled), imitating nature's cycle with everything either recycled or returned to the earth, directly or indirectly through food, as a completely safe, nontoxic, and* *biodegradable nutrient.*" In other words, cradle-to-cradle is defined as "*true sustainability—through the biological or technical components used, all products become sustainable as nothing becomes waste which cannot be reused*" (Sherratt 2013). In contrast to cradle-to-grave concept, in the case of the cradle-to-cradle concept, all material inputs and outputs in the production process are seen as technical or biological nutrients. In short, C2C can be summarized as the focus on recovery of resources, recycling, and reuse (Kumar and Putnam 2008).

Consumers should consider all the steps of the production process such as product development, package design, production, and distribution. Companies have begun to assess their packaging designs in relation to the environment. In the concept of "product stewardship", companies have more responsibilities in their product lifecycle management (Lewis 2005). Lifecycle assessment (LCA) is used to evaluate the environmental burdens related with a product or process. This assessment process identifies energy and materials used and wastes released into the environment.

Sustainable packaging is "*the development and use of packaging which results in improved sustainability*" (Wikipedia 2018b). Instead of sustainable packaging, environmentally friendly packaging, environment-friendly packaging, eco-friendly packaging, nature-friendly packaging, or green packaging terms are also used in the literature. Being sustainable may include different factors. Packaging has a significant role by being recyclable, having less space as waste, and being biodegradable in the environment. Source reduction refers to the reduction of the amount of the waste and toxicity and the reuse of products or materials. Source reduction is also an important factor in packaging design. After the consumption of the product, the amount or toxicity of trash has an impact on the environment. In this regard, the type and amount of packaging should be assessed by taking into consideration that waste will be generated after product use or consumption. Thus, source reduction results in minimized waste disposal and handling cost which means the cost of recycling, municipal composting, and landfilling. There are many factors that can affect the environment regarding packaging design and packaging materials (Klimchuk and Krasovec 2013). These are:

- Demands of the product,
- Demands of the production process,
- Distribution/transportation system,
- Storage (warehouse, retail, home),
- Corporate (responsibility) policy of product manufacturer and the packaging and packaging materials producers,
- Government regulations,
- Marketing,
- Retailer requirements,
- Consumer needs and wants.

Formerly, packaging wastes did not affect consumers' purchasing decisions at the point of purchase. Today, consumers are more aware of the role of packaging on the environment. Socially responsible consumption (hereafter SRC) is defined as "*the fact of purchasing products and services which are perceived to have a positive* *(or less negative) impact on one's environment and/or the use of one's purchasing power to express social and environmental concerns*" (François-Lecompte 2005). Socially responsible consumers concern about the different elements of the package design such as material and size of the package. The environment-friendly packaging, which causes less damage to the environment, is gaining popularity in the society. Therefore, it is essential to elicit the consumer preferences toward it. Consumers have positive opinion about environment-friendly packaged products but they might not behave consistently when purchasing them. Companies must better understand the consumers' behaviors, preferences, perceptions, and attitudes toward environment-friendly packaged products.

Changes in the behavior of consumers who are increasingly sensitive to social and environmental issues are another reason for CSR implementations for the companies. Therefore, marketers and producers should take socially responsible roles in the market and they should consider (Klimchuk and Krasovec 2013):

- Using recycled materials,
- Downsizing the secondary packaging or over-packaging,
- Making concentrated products in order to reduce environmental impact in terms of packaging and shipment,
- Shipping and transportation effect on the environment in terms of gas emissions and energy efficiency,
- Cost–benefit analysis for environmental-friendly packaging for short and long term.

With the rise of CSR, an increase in the popularity of ethical consumerism is observed. However, Janssen and Vanhamme (2015) used a term named CSR-Consumer Paradox theory which examines the gap between consumers' stated, responsible intentions and their actual behaviors. The CSR-Consumer Paradox can be explained by the bystander effect (Darley and Latané 1968) which is a social psychological phenomenon. This theory would suggest "If they do not care then why should I?" mentality (Wikipedia 2018a). According to this theory, consumers may against the use of socially irresponsible companies' products; however, they may continue to buy products of these companies that are socially irresponsible just because other consumers do not care about it. Because of that, environmentally friendly packaging may not affect the consumers' purchase intentions in this respect. Even if, they do consider to buy CSR processed products, they do not act as they consider and do not purchase these products.

Another theory, which is discussed in the case of CSR concept, is reciprocal altruism theory (Janssen and Vanhamme 2015). People will only do something if they can get something back. When this theory is combined with CSR and ethical consumer behavior, consumers earn very little in return for their investment. Products produced with the CSR process are generally more expensive due to high cost. Consumers who purchase these products are not rewarded unlike those who do not purchase these products. For this reason, making an ethical purchase may not add a high value to the individual even if it is environmentally and socially beneficial.

Because of that, consumer's relationship with CSR is becoming more complex than it first appears.

Packaging is also important for contributing to the understanding of the company and the brand (Raphael and Olsson 1976). CSR practices should be communicated to consumers. Thus, CSR can provide many benefits to the company in terms of brand awareness and customer loyalty. Today, companies use CSR in their marketing communications. Companies sometimes use social contributions they make with CSR as an advertising tool. In this way, they gain public support and provide a competitive advantage (Fry et al. 1982). It is an important way of reaching the consumers who are expecting from the companies to be sensitive to the environmental issues and be socially responsible (Jones et al. 2005). Companies that perform strong CSR activities aim to attract customers who will buy their products or services regardless of the price. The most important point here is that the content of the message sent to the customer should be consistent with the actual CSR practices of the company.

Companies must distinguish themselves and their products from many companies. For this reason, they can use cause-related marketing (hereafter CRM) as a communication tool to differentiate themselves from the others. In this type of communication, companies communicate their corporate social responsibilities through advertising, packaging, and promotion (Brønn and Vrioni 2001). Sheikh and Beise-Zee (2011) state that "*a more unspecific CSR does not garner much competitive advantage if social responsibility is expected to be a normal behaviour.*" Because of that, CRM might be more preferable in CSR communication. Studies have shown that consumers are more likely to switch to a brand with a marketing benefit associated with the cause (Worldwide 1993). If CRM is done properly, it sells products, enhances image, and motivates employees. However, if it is not done properly, it might be harmful for the companies (Brønn and Vrioni 2001). Boulstridge and Carrigan (2000) conducted a study and showed that customers do not care about companies' behavior in their decision-making process. By applying CRM, companies might gain a positive reputation. However, the effect of CRM on customer decision-making process is questionable.

The organic products or in other words the eco-products are also gaining popularity in the society. Therefore, it is essential to elicit the consumer preferences toward organic products. The socially and environmentally responsible companies voluntarily enter into the highly regulated businesses such as organic farming. Package of the organic products may not need to be environment-friendly. However, having organic products in companies' product mix may reflect the CSR policies of these companies. Because of that, customers may believe that the organic products are produced in the process of CSR (Pivato et al. 2008). Consumers have positive opinion about organic products, but they might not behave consistently when purchasing them. Consumers' trust is also crucial in this issue. Organic product industry must better understand their behaviors, preferences, perceptions, and attitudes toward organic products. Kiygi-Calli (2016) conducted a study to investigate the influence of package design on consumers' preference and purchase intention of eco-products. The elicit preferences of the consumers, in this paper conjoint analysis is conducted which is a consumer research technique developed to provide a method for determining the relative contributes of multiple factors to consumer satisfaction. The goal of conjoint analysis is to determine how much each feature contributes to overall preference. This contribution is called the "partworth" of the feature. By using this analysis, it is possible to determine which attributes are important to certain customers or market segments. Consumers are shown hypothetical products, called profiles that are described by all of the features that are being varied. Consumers are asked to rate the profile on their intentions to purchase the profile.

Marketing communication can also be occurred in real purchasing situations. For this reason, product packaging is considered an important marketing communication tool. Pilditch (1973) used the phrase "silent salesperson" for the product packaging. Because it works as a silent salesperson and customers make purchase decisions by looking at the package. The product packages are very suitable for communicating CSR messages, and the information is easily accessible to the consumer in this way. Agariya et al. (2012) propose a model that describes the effects of visual and verbal elements of packaging, level of involvement, time pressure, and individual characteristics on consumers' purchase decision. The visual elements are graphic, color, size, form, and material. On the other hand, verbal elements are product information, producer, country of origin and brand. Some people do not search for information of CSR on their own. For such customers, the product packaging is one of the easily accessible communication channels. Barchiesi et al. (2016) conducted a study to show the best packaging color conveying CSR to consumers. They found that green-colored package is not the best one to convey a CSR message to consumers, even if the prevailing association of green color with the concepts of CSR.

The CSR communication channel has an important role in the success of communication. If consumers cannot be reached using some communication channels, there are also different channels that can be used such as company Web pages, social media, or point of purchase. In particular, product packaging may be useful to communicate CSR messages to consumers and to reach consumers who make purchasing decisions in the store (Pedersen 2012). Researches show that most of the purchase decisions are made at the point of sale (Silayoi and Speece 2007). Packaging is also one of the most important means of communication for widely distributed consumer packaged goods (CPGs), especially when purchased with less time, physical, and mental effort. Packaging promotes the customers' purchase decision not only at the point of sale, but also when the product is used (Underwood 2003).

7.4 Concluding Remarks

CSR practices are generally applied voluntarily by businesses and include both social and environmental issues. Retailers offer ethical proposals to consumers with social and/or environmental aspects. CSR practices require high investment for businesses. On the other hand, companies integrate CSR to their business processes such as purchasing, storage, storage, packaging, transportation, and distribution to achieve higher customer satisfaction and loyalty, better corporate image and reputation, higher efficiency, lower cost, and higher profits. Consumers should consider all the steps of the production process such as package design.

The packaging is one of the decision areas of the product and provides information to customers about product features. Companies use product packaging as an effective marketing tool. In package design, companies have to decide on various elements such as visual and verbal. For the consumers who do not look for information on their own about CSR, product packaging is one of the easily accessible communication channels. For the CSR communication, companies use cause-related marketing (CRM) communication in order to differentiate themselves from the others. Instead of general CSR communication, CRM approach is more appropriate as a communication channel. By using this approach, companies may gain positive reputation and competitive advantage in the market.

There are number of studies which investigate the best package design for the CSR communication and for the organic products. Organic products do not need to have an environmentally friendly or sustainable packaging. However, if one company markets an organic product, it may change the reputation of the company and customers may believe that selling of this organic product may reflect the CSR approach of the company. Therefore, CSR application, CSR in packaging, CSR communication, production, and market of organic products are the factors that reflect the CSR approach of the companies and affect the socially responsible consumers.

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Chapter 8
A Study on the Impact of Mandatory Provisions on CSR Strategies of Indian Companies

Supriti Mishra and Gargee Banerjee

Abstract CSR encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations (Carroll 1999). Such mandatory provision has, however, raised several important questions about the way CSR is perceived and implemented. The proposed research intends to look at a few such issues; such as (1) whether such mandatory provisions have diluted the voluntary spirit inherent in CSR, (2) whether there is any difference in the approach adopted by top companies listed in stock exchanges toward CSR after the mandatory requirements came into force (a comparison between the pre- and post-implementation of mandatory provisions is attempted), and (3) whether CSR activities by such companies conform to the set of activities prescribed under Schedule VII of the Companies Act 2013. Data on CSR activities, CSR spending, and company details are collected from secondary sources for a sample of 30 companies. Data analysis was carried out to examine the aforementioned objectives. This research intends to establish whether Companies Act 2013 will bring about meaningful changes in the way CSR is perceived and implemented in India by the Indian companies.

Keywords CSR · Mandatory · Schedule VII · Companies Act 2013

8.1 Introduction

Corporate social responsibility (CSR) is viewed as a company's commitment to operate in an economically, socially, and environmentally sustainable manner, while recognizing the interests of all its stakeholders. CSR encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time (Carroll 1999). Traditionally, CSR has been carried

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out for the underprivileged community in the form of philanthropy and charity. Later the definition was broadened to include welfare of a wide range of relevant stakeholders. A more recent approach is that of strategic CSR which is undertaken by the corporate in such a way that the CSR activities are aligned with their business goals which in the long run lead to betterment of operations and improved performance of the organizations besides improving the society. By planning out CSR activities, as part of a company's overall plan, organizations can ensure that profits and increasing shareholder value do not overshadow the need to behave socially responsible to their stakeholders.

CSR activities are generally championed by the spirit of voluntarism. However, when companies are not forthcoming in their voluntary contribution toward CSR, the government intervenes by mandating it for them. Though there has been an increasing trend among companies in the developed countries to voluntarily contribute toward CSR, such gestures are not commonplace in emerging countries such as India. In the absence of adequate voluntary initiatives by Indian companies, Indian government has come up with regulations to make CSR activities mandatory for companies through the New Companies Act 2014 which is an amendment of the archaic Companies Act 1956. In this context, this study seeks to examine the impact of the mandatory CSR law on the CSR activities undertaken by Indian companies.

8.1.1 Literature Review

In countries such as India, where there is a wide economic gap between different sections of people (Bajpai 2001), government may not be able to address all the social problems alone. In such a situation, corporate contribution to social development can go a long way in alleviating such problems. According to Narayan Murthy, the founder of Infosys, an IT major, 'social responsibility is to create maximum shareholders' value working under the circumstances, where it is fair to all its stakeholders, workers, consumers, the community, government, and the environment.' However, CSR activities in India are below the global norms, and there is no major change in the approach of Indian corporate toward CSR activities over the years (Cheung et al. 2009). Indian companies mostly focus on philanthropy through various community development projects and do not look at sustainability of such activities (Arora and Puranik 2004; Brigitte et al. 2010). An assessment of reporting practices of 245 Indian companies with respect to eighteen Global Reporting Initiative Indicators found that CSR is carried out as an informal activity and many Indian companies equate CSR with philanthropic activities (Gautam and Singh 2010). A study of 300 Indian companies finds that CSR activities also include education and health-related activities of the localities (Ahmed 2009). However, consumer survey findings indicate the need for more effective CSR strategies. Consumers give more importance to ethical and legal issues over philanthropy or even profit-making (Brigitte et al. 2010). Though few case studies of organizations in the banking and financial sector in India find that they have started focusing on environmental sustainability (Das 2012), reporting practices on CSR and sustainability are far below global standards.

The need for a national policy to foster CSR activities has been felt in various countries. Martin et al. (2015) find that while companies in the sub-Saharan Africa voluntarily adopt CSR, the absence of a national CSR policy poses several challenges such as unregulated CSR activities, difficulty in assessing the relevance of CSR programs in national development, and the like. Countries such as Indonesia and Malaysia have various mandatory provisions for CSR, environmental sustainability, and the like (Nasir et al. 2015; Waagstein 2011). As Indian companies were not forthcoming with voluntary initiatives toward CSR in the past, Indian government made provisions for a mandatory two percent contribution toward CSR in the New Companies Act 2013 by amending the old Companies Act 1956. Few of the objectives behind introducing the mandatory provision are—one, companies should be transparent about their social and environmental impact that should be reported both to shareholders and the public. Two, companies should behave responsibly toward their stakeholders such as workers, local communities, and the environment by minimizing the adverse social and environmental impact. Three, companies should be accountable to people who should be able to undertake legal recourse at times when government remedies are inadequate or unavailable (Business Line 2011).

The Companies Bill 2011, which took seven years of deliberations and consultations, got passed in 2013, mandating CSR expenditure for corporate. Section 135 of the Companies Act 2013 states that every company having a net worth of Indian rupees (INR) 5000 million or more, or turnover of INR 10,000 million or more, or net profit of INR 500 million or more during any financial year shall constitute a CSR Committee of the Board of Directors. It shall contribute two percent of its average net profit over the last three financial years for CSR activities.

Schedule VII of the new Companies Act also specifies CSR activities which may be undertaken by India companies—(i) eradicating extreme hunger and poverty; (ii) promotion of education; (iii) promoting gender equality and empowering women; (iv) reducing child mortality and improving maternal health; (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria, and other diseases; (vi) ensuring environmental sustainability; (vii) employment enhancing vocational skills; (viii) social business projects; (ix) contribution to the prime minister's national relief fund or any other fund set up by the central government or the state governments for socioeconomic development and relief and funds for the welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities, and women; and (x) such other matters as may be prescribed (Companies Act 2013).

Though it is quite early to study the impact of the mandatory CSR provisions on social and economic development in India, few studies attempt to analyze the expenditure pattern of CSR activities in the period of voluntary spending and if there was a requirement for the adoption of mandatory provisions in the Companies Act 2013 (Verma and Kumar 2014). Some studies also analyze the motive of making CSR spending mandatory and attempt to explain the methodologies adopted by Indian companies to address CSR issues (Singh and Verma 2014). This study can be considered as an early attempt to explore the impact of Companies Act 2013 on the

CSR activities of Indian companies. In particular, the objectives of this study are as follows:

– to investigate whether the mandate has been successful to motivate Indian companies to undertake CSR activities or diminished their voluntary spirit?
– to find out if Indian companies are following the prescriptions given in Schedule VII while implementing CSR activities?
– to find out if there is any change in the approach of Indian companies toward CSR before and after the implementation of the mandatory provisions for CSR?

8.2 Methodology

This is an exploratory study which attempts to analyze the change in the Indian companies' approach in their CSR activities after the implementation of mandatory provisions for CSR. The sample consists of 30 companies included in the Bombay Security Exchange (BSE) Index and Fortune 500 list. These thirty companies represent those companies which are actively traded in the stock exchanges in India and are financially sound companies with large turnover and profits thus qualifying to implement the mandatory norm for CSR. As per the provisions in the Act, loss-making companies are not required to spend on CSR. The sample period is from financial year 2013–14 to 2014–15. Data on net profit, CSR expenditure, CSR activities, and other details about CSR have been collected from secondary sources such as the websites, annual reports, business responsibility reports, sustainability reports, and CSR reports of companies. The data so collected were analyzed using descriptive analysis and content analysis. More specifically, the data for the two years were summarized and compared to find if companies were spending less than, equal to or more than the mandatory amount prescribed for CSR by the Act. Also various CSR expenditure patterns were observed and classified using content analysis of the company's annual reports to find out if companies were spending the CSR budget on activities prescribed in Schedule VII of the Companies Act.

8.3 Results and Discussion

Data on CSR expenditure of the 30 Indian companies collected from secondary sources were compared with the mandatory CSR expenditure incurred by the companies before and after the implementation of the Act (please refer to Table 8.1). The comparison helped in finding if the companies were adhering to the mandatory CSR expenditure requirement of two percent and if so, to what extent. Data on mandatory and actual CSR expenditures were compared for the two successive years of 2013 and 2014, that is, the year before and after the mandatory CSR expenditure was implemented by the government. Although mandatory CSR expenditure could be calculated easily from the profit after tax figures from the companies' annual reports, actual CSR expenditure spending for the year 2013 could not be found for all the companies. The reason for this could be attributed to the lack of mandatory requirement for CSR spending and disclosure in 2013. However, similar data for the year 2014 were available as the government had mandated to disclose the CSR spending by then.

A closer look at the CSR spending of the companies for both 2013 and 2014 in Table 8.1 indicates that many companies spent less than the mandated amount. As per the Companies Act companies, who fail to spend the mandated CSR amount, need to explain the reason for not spending. Despite such strictures, many companies failed to spend the mandatory CSR amount. However, few companies such as CIL, Reliance, and ONGC spent more than the mandatory requirement (please see Table 8.1).

A detailed examination of the CSR spending in the 2 years in Table 8.2 showed that the number of companies spending more than two percent of their net profit on CSR has increased from four percent in 2013 to 14% in 2014. Sixty percent companies spent less than two percent on CSR, whereas this number increased to 83% in 2014 (please refer to Table 8.2). In the absence of a mandatory clause for CSR disclosure in 2013, data for 33% companies were not available. This establishes success of the Act in bringing out more transparency in CSR spending and disclosure among Indian companies.

We further examined whether companies were undertaking CSR activities detailed in Schedule VII of the Companies Act 2013. Table 8.3 gives details of the CSR activities prescribed in Schedule VII wherein each area of expenditure listed is denoted as L1 to L10, respectively. L1 represents eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water; L2 represents promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, and so on.

A content analysis of the annual reports was carried out to find the details of CSR activities undertaken by the companies, and the results are reported in Table 8.4. It was observed that all companies implemented CSR activities in areas such as healthcare, sanitation, and drinking water mentioned under L1. Ninety-three percent undertook CSR in the areas of promoting education, vocational skills, etc., mentioned in L2 while 80% ensured CSR activities in the areas of environmental sustainability, etc., mentioned in L4. Some of the companies also carried out their CSR activities in the areas mentioned in L3, L5, L7, L8, and L10. But none of the companies undertook any CSR activity in the areas mentioned in L6 and L9 (please see Table 8.4). When L6 is directed at the benefit of armed force veterans, war widows and their dependents, the L9 takes care of fund requirements for technology incubators located within academic institutions approved by the central government.

Content analysis of companies' annual reports also indicated that all the companies have constituted or formed CSR committees as mandated in the Companies Act. As per the Act, the role of the CSR committee is to guide the companies in formulating the CSR policy and monitoring the CSR activities as per Schedule VII. The

Table 8.1 CSR spending of Bombay Stock Exchange (BSE) 30 companies (Amt. in INR 100 million)

Sl. No.	Name of company	2013 mandatory CSR spending	2013 actual CSR spending	2014 mandatory CSR spending	2014 actual CSR spending
1	BPCL	44.3	17.88	46.14	34.38
2	HPCL	25	21.76	22.36	23.74
3	SBI	194.26	123.27	227.18	148.93
4	Tata Motors	35.3	NA	86.32	17.33
5	ONGC	405.44	262.13	433.16	340
6	Reliance Industries	377.08	NA	408.86	712
7	IOC	144.14	78.97	109.36	81.91
8	Tata Steel	124.06	170.76	124.16	212
9	TCS	176.54	71.6	222.66	93.58
10	Wipro	103.62	16	110.54	16
11	Siemens	13.44	0.64	9.22	1.16
12	Bharti Airtel Ltd.	142.68	NA	113.82	40.45
13	UBL	2.46	0.9	2.96	2.25
14	PNB	88.04	3.24	93.76	2.93
15	Powergrid Corp. of India Ltd.	53.28	21.75	67.92	21.66
16	Maruti Suzuki India Ltd.	42.8	18.94	42.1	23.28
17	Nestle India Ltd.	18.98	NA	20.98	15.35
18	Adani Power	6.58	6.5	18.46	3.71
19	BHEL	115.86	63	131.1	108.6
20	NTPC	180.36	69.24	206.3	109.77
21	Larsen & Toubro	84.36	NA	88.84	76.9
22	JSW Energy	13.1	NA	13.5	6.31
23	HUL	46.32	NA	57.6	57.6
24	Dr Reddys	23.02	NA	25.3	19.86
25	Dabur	9.12	NA	10.16	20.65
26	Cipla	21.14	7.65	23.98	9.98
27	CIL	235.18	595.74	286.74	409.37
28	Infosys Ltd.	151.64	NA	171.48	9
29	ITC	101.4	82.34	123.78	106.63
30	Zee Entertainment Enterprises Ltd.	10.82	1.4	11.38	4.74

Table 8.2 Mandatory CSR expenditure pattern in Indian companies

Year	No. of companies whose CSR expenditure is less than mandatory CSR (%)	No. of companies whose CSR expenditure is same as the mandatory CSR (%)	No. of companies whose CSR expenditure is more than mandatory CSR (%)	No. of companies whose CSR expenditure data is not available (%)
2013	60	3	4	33
2014	83	3	14	0

Table 8.3 Areas of CSR activities listed under Schedule VII, Companies Act (2013)

Areas listed under Schedule VII of the Companies Act (2013)	Denoted by
Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water	L1
Promoting education, including special education and employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects	L2
Promoting gender equality, empowering women, setting up homes, and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	L3
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air, and water.	L4
Protection of national heritage, art, and culture, including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts	L5
Measures for the benefit of armed forces veterans, war widows, and their dependents	L6
Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	L7
Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socioeconomic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women	L8
Contributions or funds provided to technology incubators located within academic institutions which are approved by the central government	L9
Rural development projects	L10

Table 8.4 Affirmation given for CSR activities prescribed in Schedule VII

Affirmation %	L1	L2	L3	L4	L5	L6	L7	L8	L9	L10
YES %	100	93	40	80	23	0	27	20	0	33
NO %	0	7	60	20	77	100	73	80	100	67

Table 8.5 Impact assessment of CSR activities

Impact assessment of CSR activities	Percent of companies
Carried out by companies	40
Not carried out by companies	60

Act also requires companies to undertake impact assessment of their CSR activities periodically. An analysis of the 30 companies showed that 40% carried out impact assessment of their CSR activities internally or with the help of third-party agencies (please see Table 8.5).

Findings of the research establish that mandatory CSR requirements for Indian companies have definitely made more firms undertake CSR activities. This Act has compelled companies to constitute a dedicated CSR committee exclusively for the purpose of overseeing CSR activities. Many companies spending more than two percent for CSR indicate that the Act has not diluted the voluntary spirit in companies who were spending more for CSR even before implementation of the ACT; instead, it has kept them motivated to continue with their CSR activities. It is also noticed that maximum companies are not following the two percent norm for CSR expenditure by spending far lesser than the mandated amount. Hence, there seems to be a need for the government to come up with strict monitoring systems to ensure that companies do not at least flout the norm for minimum CSR spending. It is observed that different companies follow different methods for impact assessment and some companies even do not carry out any impact assessment. Government should come up with a common impact assessment policy and a system where the success of the CSR expenditure and activities can also be assessed.

8.4 Conclusion

CSR in India has come a long way from just being an act of kindness or philanthropy to becoming a mandatory part of business agenda. It has evolved from the mere act of good deed to a compulsory act of giving back to the society. Companies Act 2013 has been successful in making Indian companies wake up to their responsibility toward the society. They are now working as partners with the government to pursue its social agenda and contribute toward the removal of many social ills. By taking care of few challenges such as establishing robust impact assessment policy and standards, and strict monitoring system, it can be made more effective.

8.4.1 Limitations and Future Research Directions

The sample for the study consisted of only 30 companies. Hence the findings cannot be generalized to the whole of India. The CSR expenditure and activities could not be studied in detail in relation to their allocation, scope, and areas covered due to lack of data. This study is based only on secondary data. Future studies can be conducted with the help of primary data. In the year 2013, for nearly 33% of companies, CSR expenditure data were not available. Availability of the data can give more clarity about the CSR expenditure trend among the corporate. Also there is scope and need of future research in impact assessment and analysis of CSR activities to get greater insight about the actual impact of CSR.

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Part II
Sustainability in Marketing

Chapter 9
Non-profit Foundation and Brand Alliances as a Reputation Management Tool

İbrahim Kırcova and Merve Yanar Gürce

Abstract According to resource-based theory, reputation is an important intangible resource. As an intangible resource, it can provide a more sustainable source of competitive advantage in firms and can be used as a relationship management tool in public relations. With a recent history of scandal in firms face pressure to maximize the positive esteem in which they are held by the public. Companies make alliances with other firms or non-profits to promote mutual interests in products or services offered and in the public perception of their legitimacy. Accordingly, as part of their corporate social responsibility, many firms practice non-profit and brand alliances, in which organizations donate to a chosen cause with every consumer purchase. According to this, the study proposed a model of a non-profit and brand alliance based on relations to attitudes toward the brand, brand trust, and perceived quality of the brand variables. The results indicate that when brands alliance with a good reputation non-profit consumers tend to be more positive to brands according to their demographic characteristics.

Keywords Non-profit and brand alliances · Reputation management · Corporate social responsibility

9.1 Introduction

Reputation is considerably important today, due to the fact that consumers have virtually limitless access to information via modern technology and a deep curiosity to uncover information about firms or brands (Fombrun 1996). Firms compete on

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various levels to maximize profits and managing reputation is one of the most important ways can differentiate themselves during uncertain circumstances and firms with good reputations usually outperform those with negative reputations (Rhee and Valdez 2009).

Practitioners indicate that corporate reputation is important for the sustainability of an organization and public relations plays an important role in the guarding of reputation. Taking into account all of these, corporations have made extreme efforts to play a part in social responsibility activities. The purpose of these activities is mainly related to increasing positive public perceptions of corporations (Lyon and Cameron 2004). The term of corporate social responsibility means for firms "doing good", it consists of firms' voluntary involvement in issues such as health, safety, education, economic development, relations with consumers, suppliers, communities, environmental protection, human needs, and poverty (Kotler and Lee 2005). It refers to the company's initiative with respect to its perceived responsibility concerning the environmental and social well-being (Rim et al. 2016; Montavani et al. 2017). Firms usually engage in corporate social responsibility activities in order to increase their differentiation, competitiveness, develop new resources, increase employee satisfaction, customer loyalty, and improve reputation (Adkins 1999; Brown and Dacin 1997).

According to the resource-based theory, reputation is an important intangible resource in organizations and firms are now using reputation to enhance customer relationships on relationship management and gain more competitive advantage (Roberts and Dowling 2002). It also can be an influential element in developing and managing relationships with customers and the other stakeholders (Boyd et al. 2010) and focuses on evaluations of an organization from external stakeholders in relation to firm's activities and behaviors over a period of time (Bennett and Gabriel 2003).

Reputation refers to subjective assessments of trustworthiness and reliability of a firm on the basis of the firms' behaviors in the past (Fombrun and Van Riel 1997). It is important for an external stakeholder to engage in a relationship with a firm is dependent on past beliefs and past evaluations that the external stakeholder has of the company (Herbig and Milewicz 1993). Hence if external stakeholders observe a negative reputation about the firm, the relationships between firm and stakeholders will be affected. When firms' reputation is considered well, the firm will not have to spend more resources to gain trust from stakeholders (Nguyen and Leblanc 2001).

Negative reputations can occur due to a number of different reasons, such as accidents, product failure or they can arise by corrupt leaders in the firms. Corporate social responsibility activities are used to address consumers' concerns and create a favorable firm image, develop positive relationships with consumers and the other stakeholders. According to that, this study is related to examining the effectiveness of non-profit and brand alliances on consumers' attitudes when a company has a prior negative reputation and it also proposes a model contributes to a better understanding of the factors that lead to the success of non-profit and brand partnership.

9.2 Literature Review

Public perception of a company or brand is affected by people's beliefs about it's mission, role in society and it's social responsibility efforts (Van der Heyden and Van der Rijt 2004). Many firms engage in corporate social responsibility activities as a kind of corporate philanthropy to improve their corporate image (Lee et al. 2008). There are four prevailing justification for corporate social responsibility; moral obligation, sustainability, license to operate, and reputation. From these, reputation is used by firms to justify the use of corporate social responsibility to improve image, strengthen brand, and raise employee morale (Porter and Kramer 2002).

The most obvious link of corporate social responsibility to all firm performance is in point of reputation. Reputations reflect firms' relative success in meeting the expectations of external stakeholders (Fombrun and Van Riel 1996). Well-established reputation may enable firms to charge premium prices, enhance access to capital markets, and attract much more customers or investors and the greater a firm's contribution to social welfare, the better its reputation (Fombrun and Shanley 1990). In this context, companies usually make alliances with other companies or non-profits to promote mutual interests in both products and services offered and in the public perception of their legitimacy. With a recent history of scandal in firms or non-profit foundations face pressure to maximize the positive esteem in which they are held by the public (Menon and Kahn 2001).

According to that, there is an increasing perception that firms or non-profits can benefit by moving collaboratively through making alliances (Sagawa and Segal 2000) and alliances also viewed both in terms of the impact of the partnership on the participating firms and upon the brand that each collaborated firm represents (Lafferty et al. 2004). In this context, non-profit and brand alliances appear as a type of marketing activities that refer to a social initiative in which organizations donate to a chosen cause in response to every consumer purchased (Varadarajan and Menon 1988), and it can be defined as a commercial partnership between a charity and an organization involves associating a charity's logo with a brand, product or service (Smith 1989). When firms want to create value by leveraging the gains in reputation, legitimacy and consumers' trust that they achieve through this kind of alliances it can improve consumer attitudes and have a positive effect on the firms' financial performance (Carroll and Shabana 2010).

Association with a non-profit foundation can generate positive media coverage, build a reputation of compassion and caring for company, enhance its integrity, enhance employee's motivation and productivity, consumers' preferences, positive attitudes, and trust (Duncan and Moriarty 1998). For example, when a firm involved in a non-profit and brand alliance that consumers believe favorable, 78% of them say they are more likely to buy a product, 66 and 62% would likely switch brands and retailers and 54% indicate that they would pay more for the products (Rains 2003). Many of the benefits of the alliances like increased sales, customer retention, employee, or customer loyalty, reduced price sensitivity, enhanced corporate image, and reputation and confirm that firms might do well by doing good (Deshpande and Hitchon 2002).

People usually have positive attitudes toward companies engaged in social causes (Nan and Heo 2007). For instance, different oil companies and their non-profit and brand alliance efforts were analyzed in some studies. According to that, oil companies implement social responsibility programs to overcome negative public attitudes, build reputational status and ultimately attain legitimacy and trust (Du and Vieira 2012). The main purpose for taking part in these kinds of activities is to increase corporate reputation as a function of good citizenship. But there is an important question: does doing good always lead to doing better? (Sen and Bhattacharya 2001). Some researches have found that corporate social responsibility activities increased positive attitude toward the company (Rodgers 2003), while the other researches found negative impact (Dean 2004). Before the consumers are exposed to alliance campaigns, they might already have positive or negative attitudes toward the brands attending to the campaign or non-profit organizations. Consumers' positive or negative attitudes toward the brands may have a positive or negative effect on brand's alliance activities. Even, attitudes of the consumers toward the brand or the foundation may be transferred to the associated brand or foundation with the non-profit and brand alliance experiences (Myers and Kwon 1998). For example, when consumers become suspicious and comment that the company's sincerity for the corporate social responsibility activity is only to improve its reputation, these activities are not only inadequate, but can actually backfire, leaving the company with a more negative reputation. There are some examples of these kinds of companies. When Philip Morris started to support a youth smoking prevention campaign, consumers criticized it and became suspicious (Landman et al. 2002). While companies such as British Petrol and Shell successfully turned into their image by participating in environmental and social issues, the same strategy backfires companies such as Monsanto and Exxon (Arnold et al. 2010).

According to another study, corporate social responsibility activities don't enhance the reputation of companies that are perceived to be unethical (Strahilevitz 2003). Another study examines into situations where reputation needs restoring or how to reduce skepticism toward the brand. According to that the company has done wrong associates themselves with positive actions they have performed. Showing themselves in a favorable situation might face consumers' negative feelings about the brand and their wrongdoing. It is believed to be most efficient when the company is supporting the social cause where they did wrong (Deshpande and Hitchon 2002).

It is important to have customers' trust in the alliances because it is the key factor for successful relationships (Morgan and Hunt 1994). In a study, non-profit and brand alliances were compared when the brand had a strong and weak reputation. It indicates that non-profit and brand alliance where the brands had a weak reputation improved consumer trust in the company more than brands that had a strong reputation (Nowak 2004). Some firms practice different strategies in order to gain much more positive attitudes in alliances. Mortification is a kind of strategy that implemented in these activities. It means that the brand takes responsibility and apologizes for its wrongdoings. Using an apology in the alliance message can be a more successful communication technique than using denial (Kim 2013). Xie and Peng examined how companies can restore or repair their trust among customer after negative publicity (Xie and Peng 2009) and using an apology in the message while trying to repair customer trust will give better results than using no apology (Kramer and Lewicki 2010).

Briefly, depending on prior reputation, consumers can view corporate's social messages differently. If a firm has a good prior reputation, its social responsibility activities are seemed as a mutually beneficial activity rather than being perceived as a self-interested activity. This will affect attitudes toward the firm or brand. In the literature, there are a few studies to explain the effectiveness of non-profit and brand alliances in getting desirable results when companies with prior negative reputations implement social cause campaigns.

9.3 Methodology

9.3.1 Objective of the Study and Hypothesis

It has been shown with various researches that non-profit and brand alliances are important for both brands and non-profits to gain positive attitudes from consumers. According to that, the main research question of the study is: according to the demographic characteristics of the participants how does a non-profit and brand alliance effect brand trust, attitude toward the brand and perceived quality of the brand of a company with a negative reputation? Before the main study, a qualitative pretest among the participants was conducted to decide on the brand. Fifty participants were asked to indicate the brands that they thought having a negative reputation. No clues were given and based on the findings, Volkswagen brand was used in the main study. The main study consists of two parts. In the first part, questions regarding the variables of brand trust, perceived quality of the brand and attitude toward the brand were asked before the non-profit and brand alliance scenarios being read to the consumers. In the second part, to each participant was being read and questions were asked again regarding their attitude toward the brand, brand trust and perceived quality of the brand. According to the research question, the three hypotheses were developed as follows.

H1: For companies with a negative reputation, a non-profit—brand alliance will result higher brand trust
H2: For companies with a negative reputation, a non-profit—brand alliance will result higher perceived quality of the brand
H3: For companies with a negative reputation, a non-profit—brand alliance will result higher positive attitude toward the brand

9.3.2 Data Collection and Sampling

An online survey conducted through social networking site Facebook. A private message with a link to the survey was sent to the certain participants. The sample size was 200 respondents. In the first page of the survey form, a short introduction about the research was given. As a first step, brand trust was measured, and then questions about the attitude toward the brand were asked, and lastly, perceived quality of the brand questions was asked. Two weeks later, the same participants were exposed to the same survey form with experimental stimuli. Please see the alliance scenario in Appendix. Firstly, they were exposed to a non-profit and brand alliance scenario and then they were asked the same questions again. In the end of the survey, demographics (gender, age, income, education) were asked. When participants were entirely completed the survey form, they were informed that the alliance was not real.

9.3.3 Measurements

After literature review, the following scales were chosen to test the proposed model. Brand trust was measured with the five items scale which was taken from Chaudhuri and Holbrook (2001) and Lassar (1995). Perceived quality of the brand was measured with the six items scale from Berry (2000), Sirdeshmukh et al. (2002), Yoo and Donthu (2001) and Aaker and Keller (1990). Attitude toward the brand was measured with the six items scale from Nan and Heo (2007), García et al. (2003), Lafferty (1999), McKenzie and Scott (1986) and Spears and Sing (2004). For all of the scales a five-point Likert scale was used. The response scales ranged from 1-Completely disagree to 5-Completely agree, and statistical analyses were conducted with R 3.4.0v program.

9.3.4 Results

9.3.4.1 Demographic Characteristics

Table 9.1 summarizes the socio-demographic characteristics of the individuals participating in the study. According to this, 55% of the participants were women, while 45% were men. When the education levels were investigated, it was observed that 49.5% were college or university graduates, 30% held master's degrees, 13.5% held Ph.D. and 7% were high school graduates. While 52% of the individuals were single, 48% were married. 68.3% of the individuals included in the study were working in the private sector while 31.7% were public sector.

Table 9.1 Statistics of the demographic characteristics of the individuals participating in the study

Sex		
Men	90	45.0%
Women	110	55.0%
Level of education		
High school	14	7.0%
Vocational school/university	99	49.5%
Master's	60	30.0%
Ph.D.	27	13.5%
Marital status		
Single	104	52.0%
Married	96	48.0%
Type of work		
Public	63	31.7%
Private	136	68.3%
Age	32.92 ± 8.69	19–65
Monthly income	4381.85 ± 3972.99	0–30,000

Categorical variables were given as numbers and percentages. Numerical variables were summarized as mean, standard deviation, and minimum and maximum

9.3.4.2 Changes in Consumer Attitudes Before and After Reading the Scenario

In Table 9.2, the purpose was to investigate whether there is a difference between trust, perceived quality, and attitudes toward the brand before and after the reading of the scenario for the participants included in the study. According to this, trust, perceived quality, and attitude toward brand were found to be significantly different between pretest and posttest averages ($p < 0.05$). Participants' attitude toward brand, perceived quality, and brand has increased after reading the scenario.

9.3.4.3 Comparison of Attitudes Before and After Reading the Scenario Depending on Demographic Characteristics

The demographic characteristics of the participants included in the study in Table 9.3 and the differences between the means after reading the scenario and the differences between the means before the scenario was read were compared. According to this, the difference between the attitude difference variable means for the brand in terms of sex was statistically significant ($p < 0.05$). Women's attitudes toward brand were higher than men. According to the marital status level and type of work performed ($p > 0.05$). There was no significant difference between sex, trust and perceived quality

Table 9.2 Attitude mean toward trust, perceived quality before and after and brand reading the scenario

	N	Mean	Standard deviation	S. error	t	p
Trust pretest–trust final test[a]	200	18.39	3.46	0.24	−2.58	0.010*
	200	18.85	3.53	0.25		
Perceived quality pretest–perceived quality final test	200	22.26	4.34	0.31	−4.59	$p < 0.001^*$
	200	23.09	4.24	0.30		
Attitude toward brand pretest–attitude toward brand final test	200	21.13	2.87	0.20	−5.84	$p < 0.001^*$
	200	21.90	3.24	0.23		

[a]The paired t-test was used. Descriptive statistics were given as mean, standard deviation, and standard error
$^*p < 0.05$

difference variance averages ($p > 0.05$) of the individuals, the difference between the perceived quality and attitude difference variable means for the brand was statistically significant ($p < 0.05$). The perceived quality of married individuals and their attitudes toward the brand was significantly higher than the unmarried individuals. There was no statistically significant difference between trust level, perceived quality, and average attitudes toward brand according to education. The difference between the marital status of the individuals and the difference variance means obtained from the trust variable was not significant ($p > 0.05$). According to Tables 9.2 and 9.3, H1, H2, and H3 hypotheses were partially accepted.

In Table 9.4, it was examined whether there was a linear relationship between the total scores of trust, perceived quality, and brand attitude and age and monthly income levels before reading the scenario and after reading the scenario ($p > 0.05$). Results indicate that there was no statistically significant linear relationship.

According to the scales used in the research, the descriptive statistics of the participants' attitudes toward trust, perceived quality, and brand before and after reading the scenario are given in Table 9.5.

9.4 Conclusion

Reputation is an important intangible resource in relationship management both for brands and non-profits according to the literature. It represents the perceptions of both external and internal stakeholders toward a company's practices and behaviors of the past and future. In today's world, companies focus on their reputation to manage relationships in public and use social responsibility activities. Particularly, companies with negative reputation engage in non-profit and brand alliances because they believe that the alliance will provide both parties with an economic or another

Table 9.3 Changes in attitude according to demographic characteristics before and reading the scenario

	Trust					Perceived quality					Attitude toward brand					
	Mean	SD	Mean rank	Test statistics	p	Mean.	SD	Mean rank	Test statistics	p	Mean	SD	Mean rank	Test statistics	p	
Sex[a]	Men	0.10	2.83	94.07	−1.468	0.142	0.70	2.83	98.18	−0.522	0.602	0.48	1.89	91.14	−2.112	0.035*
	Women	0.75	2.20	105.76			0.95	2.35	102.40			1.01	1.81	108.15		
Level of education[b]	High school	1.29	2.33	122.57	4.181	0.243	2.21	2.61	127.18	4.861	0.182	0.36	1.45	90.25	1.217	0.749
	Vocational school/university	0.09	2.84	95.55			0.42	2.66	94.22			0.69	1.96	98.20		
	Master's	0.98	2.32	106.85			1.28	2.57	105.74			0.90	1.94	103.48		
	Ph.D.	0.22	1.25	93.09			0.63	1.84	98.06			1.00	1.52	107.65		
Civil status[a]	Single	0.19	2.53	95.32	−1.359	0.174	0.43	2.46	92.54	−2.062	0.039*	0.51	1.80	91.42	−2.358	0.018*
	Married	0.75	2.49	106.11			1.27	2.63	109.12			1.05	1.90	110.33		
Type of work[a]	Public	0.68	2.20	100.12	−0.020	0.984	0.62	2.34	93.71	−1.068	0.286	0.79	1.83	98.90	−0.188	0.851
	Private	0.38	2.66	99.94			0.95	2.68	102.91			0.78	1.88	100.51		

[a]The Mann–Whitney U test has been used. Descriptive statistics have been summarized as mean ± standard deviation
[b]The Kruskal–Wallis test has been used. Descriptive statistics have been given mean ± standard deviation
*$p < 0.05$

Table 9.4 Changes in attitude according to demographic characteristics before and after reading the scenario

	Trust	Perceived quality	Attitude toward brand
Before reading the scenario			
Age[a]	−0.097	−0.101	−0.063
	0.172	0.155	0.375
	200	200	200
Monthly income[b]	−0.118	−0.123	−0.086
	0.097	0.082	0.224
	200	200	200
After reading the scenario			
Age[a]	−0.089	−0.056	−0.049
	0.211	0.433	0.487
	200	200	200
Monthly income[b]	−0.100	−0.094	−0.029
	0.157	0.185	0.684
	200	200	200

[a]The Pearson correlation coefficient has been used
[b]The Spearman correlation coefficient has been used
$^{*}p < 0.05$

Table 9.5 Descriptive statistics toward trust, perceived quality and brand before and after reading the scenario

	N	Min	Max	Mean	SD
Trust pretest	200	7.00	25.00	18.39	3.46
Perceived quality pretest	200	7.00	30.00	22.26	4.34
Attitude toward brand pretest	200	13.00	30.00	21.13	2.87
Trust final test	200	6.00	25.00	18.85	3.53
Perceived quality final test	200	9.00	30.00	23.09	4.24
Attitude toward brand final test	200	12.00	30.00	21.90	3.24

benefit. For example, transfer of non-profit's good image would increase a company's reputational status. However, it is important to get an extensive understanding of how alliances can be useful, and therefore, it is important to understand consumers' perception about companies' prior status. In literature while some studies agree with that having social responsibility activities can build and shape reputational status, others don't. For example, (Foreh and Grier 2003) examined that a corporate social responsibility practice can be motivated by a firm-serving reason, such as increasing profits and enhancing the brand image. The firm-serving perception refers to the witness that the firm is exploiting rather than helping the cause (Skarmeas and Leonidou 2013). According to various studies, corporate social responsibility activities can be effective communication strategies for getting positive attitudes from consumers as a corporate value. If the company has a good prior reputation, they should be very careful in designing non-profit and brand alliances when their company has a bad reputation because such activities trigger consumer suspicion toward the company's overall strategy. This study, which was carried out with all these considerations in mind, examined whether the alliances of brands with non-profit foundations would result in consumers being really skeptical about the brand taking into account that the company previously had bad reputation, or vice versa, when the brand is thought to have a bad reputation beforehand, consumers will approach this alliance positively.

In this research, the focus is on an alliance between a brand recognized as low in the eyes of consumers and a local non-profit organization generally known to have a good reputation in society and whether the perceived quality of the brand, the trust in the brand and the attitude toward brand change depending on age, sex, marital status, monthly income, and work type. For this purpose, in the survey conducted with 200 participants, attitude toward the brand, trust in the brand and the perceived quality toward the brand before reading the scenario were compared against the same variables after reading the alliance scenario between Volkswagen brand and TEMA Foundation. According to this, the mean of trust in the brand, perceived quality of brand, and attitude toward brand increased in general after reading the scenario on alliance. When these differences are compared according to their demographic characteristics when the means before and after reading the scenario of alliance were compared, there was a difference in terms of sex in the attitudes of the participants toward the brand. According to this difference, after reading the alliance scenario, women's positive attitudes toward branding were higher than men's. According to the difference in perceived quality and attitude toward brand based on marital status, the attitudes toward the brand and the perceived quality for brand were found to be higher for married participants in comparison with single participants. According to the level of education and the type of work, there is no difference in results with respect to trust in the brand, perceived quality of brand, and attitude toward the brand. According to sex, although there is a difference in attitude toward brand, there is no difference in trust or perceived quality of brand. When the marital status was examined, there were no differences in trust toward the brand whereas there were differences between married and single participants in terms of perceived quality and attitudes toward the brand. There was no linear relationship between the age and monthly income levels of the participants and the perceived quality and attitude toward brand.

Implications

When the results of the study are generally evaluated, it is seen that the fact that the alliance brand had a negative reputation in the eyes of the consumers before did not negatively affect the brand after the alliance. On the contrary, consumers' positive attitudes toward the brand seem to increase. According to these results obtained, brands or companies may be able to change the negative perceptions in the minds of consumers and differentiate their market positions through collaborations if their brands or companies can correctly manage alliances when their names are involved in a scandal or when they think that they are faced with negative attitudes. Practitioners should take extra care in how the alliance is designed. Brand alliances can be sometimes perceived unfavorably by consumers (Samu and Wymer 2014; Webb and Mohr 1998). If the alliance leads the consumer to believe that the main reason for the collaboration is to benefit the firm, it may backfire not only on the non-profit foundation involved in the alliance, but also on the brand or firm.

Limitations
There were various limitations of the study. Due to time and cost constraints, the research was carried out in the province of Istanbul. There were scenarios mentioned as imaginary in the survey forms applied to the participants and it was not possible to show exactly what kind of attitude consumers will have in a real-life alliance. In the study, a non-profit organization that operates in the field of environment was used. However, if another organization operating in a different area had been used, the results of the research might have been different. In addition, the research has been conducted for Turkish consumers and different results may arise if the research is applied in different cultures.

Appendix

Every year thousands of hectares of forest area disappear due to various reasons. Volkswagen cooperates with the TEMA Foundation in order to expand the coverage of forests, to be effective in combating erosion, to increase carbon capture, to draw society's attention to deforestation and to ensure that children love forests and planting trees. In line with this cooperation, Volkswagen will contribute to a more sustainable world by providing financial support to the planting events that will be held by the TEMA Foundation in primary schools in the country.

*You have read an imaginary scenario.

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Chapter 10
Sustainable Consumption: An Attempt to Develop a Multidimensional Voluntary Simplicity Lifestyle Scale for Generation Z

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Abstract Minimal living has been a popular theme in various domains such as literature, social media, and architecture. A voluntary simplicity (VS) lifestyle involves reducing material consumption and seeking non-material satisfaction instead. The purpose of this research is twofold: to develop a multidimensional and multi-item attitude scale for measuring university students' voluntary simplicity (VS) lifestyle and to investigate the general attitudes and behaviors of university students using this new measure. With this purpose in mind, several voluntary simplicity lifestyle scale items are adapted, and a new VS lifestyle scale is developed specifically to Turkish university students. Furthermore, the relationships of specific VS lifestyle dimensions with other variables such as VS behaviors and religious commitment are investigated. Data collected in two phases from 100 and 364 students, respectively, reveal that the VS lifestyle of university students reflects a multidimensional aspect. After purification processes, the scale that is presented in this study consists of four sub dimensions as the Responsible Shopper, the Local Shopper, the Yoda, and the No Media. Taking into consideration the current lack of measurement tools, this new scale is expected to have implications for non-profit organizations, academic researchers, and marketing professionals in developing offerings or research consistent with the lifestyle of university students.

Keywords Voluntary simplicity · Sustainable consumption · Scale development · Exploratory factor analysis

10.1 Introduction

The concept of a voluntary simplicity lifestyle is much more complicated than the concepts of sustainable consumption or environmentally conscious consumption. Following the end of the twentieth century, which saw increased mass production

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and mass consumption, combined with a thirst for variety and short product lifetimes, the need for a more sustainable production and consumption environment has become apparent in the new century. The arguments for long-term sustainability perspectives include growing critiques of corporations and their marketing efforts. The mass appeal of marketing efforts, the irresponsibility of corporations regarding the consequences of using their products or services, and other moral and environmental concerns intensified the debate around the necessity of sustainable marketing and consumption practices. Shaw and Newholm (2002) emphasize the inextricable link between consumption and ethical problems related to the environment, the fairness of global trade, and natural and moral degeneration. While these concerns have given rise to environmentalism and fair-trade at the macrolevel, consumers have also been voicing growing criticism about their own consumption at the micro-level. At that level, many research areas, from psychology to economics have begun revealing that overconsumption and the lack of ethical concerns do not only pose problems for nature and populations but for the psychology and happiness of the individual consumer too.

All researchers in psychology or managerial sciences ultimately aim to increase the happiness and well-being of people, whether it be consumers or workers or simply individuals. The pursuit of happiness, even though it is a constitutional right in the USA, is actually a universal human motive and therefore a right (Boujbel and d'Astous 2012). Jacobsen (2007) defines happiness as a stable state of balance between individual needs and his or her surroundings or the world. Happiness is also derived from a series of socioeconomic comparisons. What an individual consumes in comparison with what others consume is an index for determining happiness (Dutt and Radcliff 2009). However, as Dunn et al. (2011) make clear, people as consumers are not actually experts on predicting the sources of their happiness due to certain biases. Moreover, there is a surprisingly small relationship between money and happiness (Diener and Biswas-Diener 2002; Frey and Stutzer 2002; Kahneman et al. 2006). Life is indeed a culmination of joyful experiences. However, individuals have a material bias that leads them to spend money on material possessions instead of experiences.

While for many people materialism is considered to be one of the main paths to happiness, an increasing number of consumers raise spiritual, non-materialist, simple, and community-oriented questions against consumption culture. This new type of consumer carries traits such as sensitivity toward consumption, moral responsibility, ethics, self-determination, and self-sufficiency. The anti-consumerism movement has marked the end of the twentieth century and the beginning of the twenty-first century (Craig-Lees and Hill 2002a). These concerns have fostered the development of ecological awareness, ethical consumption, sustainable consumption, and material simplicity. The practice of distancing the self from the pursuit of happiness through materialism and moving toward simplicity and spiritualism has been associated with the voluntary simplicity movement. The voluntary simplicity movement has been an interest to researchers since the 1970s. The primary contribution of this chapter is to present an attempt to develop a measure of the voluntary simplicity lifestyle of consumers. To this end, exploratory and confirmatory factor analyses will be utilized.

10.2 Literature Review

Literature on voluntary simplicity is highly fragmented, lacking coherence in terms of measurements due to excess use of qualitative methods. Voluntary simplicity is a way of life defined as choosing to limit material consumption in order to free resources such as money and time and seeking satisfaction through non-material aspects of life (Shaw and Newholm 2002; Huneke 2005).

Voluntary simplicity has religious roots too, and the term was first defined by Richard Gregg who was a student to Gandhi (Özgül 2011). Counter intuitively, the concept and lifestyle associated with it have become common, especially among affluent consumers, starving for material simplicity, for spiritual abundance and personal growth instead of financial growth.

Minimal living in a voluntary manner has also manifested itself as a popular theme in popular culture, literature, social media, and even in architectural styles. Among the bestseller books lists are titles like "Not Buying It: My Year Without Shopping" (Levine 2006) in the USA or "Plain" (Erim and Başoğlu 2015) in Turkey. The worldwide popular movie, Trainspotting, also stands as a critique of consumer culture and the hedonic treadmill arguments associated with material consumption.

The academic literature on the subject remains limited compared to the concept's popular presence. Craig-Lees and Hill (2002a) point out this comparative gap in the voluntary simplification literature and popular press. They further argue that the lack of attention to voluntary simplifiers stems from the fact that marketing researchers are more interested in economically viable segments. Nevertheless, here the attempt is to present a brief but comprehensive review of existing research. Gregg (1936) lists the main pillars of voluntary simplification as material simplicity, self-determination, self-sufficiency, environmental awareness, social responsibility, and an emphasis on spiritual growth and richness. Other work has added the concept of social responsibility into the voluntary simplification lifestyle (Elgin and Mitchell 1977). The simplification of life is thought to happen through reducing or removing the clutter from one's life (Zavestoski 2002). From an American point of view, Andrews and Holst (1998) argue that the VS lifestyle is based on traditional American values like thrift, compassion, responsibility, community building, and self-control. Self-control turns out to be an important component of VS because all its pillars should be built on voluntary action, not through coercion or budgetary concerns (Leonard-Barton 1981). On the other hand, Shama (1985) argues that voluntary simplification has served as a way of coping with stagflation. The importance of self-control resonates in the following words of a voluntary simplifier:

> The more I simplify my life, the better it becomes. I focus on what is important to me—not what society says should be important to me. I've done a lot of soul searching and journaling and reading. It has been a wonderful journey. I find I need very little stuff to be happy—what I need is to be a master of my own time. I have that now. (taken from Huneke 2005, p. 547)

Shaw and Newholm (2002) agree that voluntary simplifiers actually adopt a number and diversity of behavioral responses and practices. Even though material consumption is reduced dramatically, this does not mean that voluntary simplifiers live a life of poverty (Craig-Lees and Hill 2002a). Elgin (1981) mentions that voluntary simplifiers can actually live with less. The small amount of property or goods that voluntary simplifiers have is linked to necessities. Iwata (1997, 1999) argues that VS shows a negative correlation with impulse buying because cautious shopping is an integral part of VS. Voluntary simplifiers prefer to purchase products with simple functions compared to those with complex functions (Iwata 1997, 1999). Most voluntary simplifiers recycle to varying degrees. Behaviorally, voluntary simplifiers also demonstrate actions that are friendly to the life of others as well as friendly to the environment (Elgin 1981; Craig-Lees and Hill 2002a). They have also achieved harmony between work, loved ones, and personal interests (Elgin 1981; Craig-Lees and Hill 2002a).

Boujbel and d'Astous (2012) demonstrate a positive and significant relationship between voluntary simplicity and life satisfaction. They further argue that the path from simplification to satisfaction is mediated by controlling desires to consume (Boujbel and d'Astous 2012). Iwata (1999) argues that accepting self-sufficiency is an integral part of voluntary simplification, which in turn, motivates conscious behavior toward health and the environment and demotivates active purchasing behavior. Andrews (1997) argues that voluntary simplifiers search for self-authenticity, mindfulness, reject consumerism and resist corporate and advertising-based influences. The most important practices of voluntary simplifiers are working at a meaningful and satisfactory job, buying local produce, limiting TV and ad exposure, limiting car use, buying from local and socially responsible sellers, being communally and politically active, making one's own gifts, buying and eating organic food, being with the community, friends, neighbors and even co-housing (Huneke 2005).

What is most striking about the voluntary simplicity measurement tools is that the concept is thought to be a continuum including low levels as well as extreme levels of voluntary simplification. Elgin and Mitchell (1977) call the two extremes as full-simplicity and non-simplicity. Etzioni (1998) calls the high extreme as strong toward holistic simplifiers. Huneke (2005) labels the extreme simplifiers as highly committed simplifiers. Shaw and Newholm (2002) call the higher levels of voluntary simplifiers ethical simplifiers due to their high concerns for wider moral issues. In contrast, lower levels of simplifiers have been downgraded in the literature and sometimes labeled as conspicuous simplifiers (Bekin et al. 2005) and downshifters (Etzioni 1998). Elgin (2000) presents a further classification of voluntary simplifiers, consisting of ten different approaches to VS. These approaches are, for example, choiceful simplicity, frugal simplicity, ecological simplicity, commercial simplicity, and compassionate simplicity.

10.2.1 Multidimensional Structure of Voluntary Simplicity

A review of the existing research covering the domain of voluntary simplicity reveals that there has been a shift from unidimensionality toward a multidimensional understanding of voluntary simplicity parallel to the theoretical advancements in the field.

Shama and Wisenblit (1984) built their scale on the concepts of materialistic simplicity, ecological responsibility, and self-sufficiency. Iwata (1997) came up with a 20-item scale of VS lifestyle and 23 VS-associated attitudes and behaviors. Later, Iwata (1999) identified four dimensions of voluntary simplicity by refining the previous multiplicity of items. According to this dimensional structure, the first factor represents the general factor of voluntary simplicity lifestyles. The remaining three factors were named as rejection of highly developed functions of products, cautious attitudes in shopping and acceptance of self-sufficiency (Iwata 1999). Shaw and Newholm (2002) propose three main components of voluntary simplicity to be voluntary restraint, diversity of behaviors, and moral compulsion. Ballantine and Creery (2010) propose six different factors in the voluntary simplicity construct to be environmental concerns, product quality, shared ownership, second-hand or used goods, ethical products, and self-sufficiency. Huneke (2005) reports a six-dimensional solution to factor analysis of voluntary simplicity. These dimensions are environmental and social responsibility, community, time use, limit TV/ ads, less stuff, and spiritual life. A summary of the dimension-related differences of existing scales is presented in Table 10.1.

Despite these measurement efforts, the excess use of qualitative methods and fragmented themes captured in the name of voluntary simplicity orientation and behavior have also been concerns for researchers. Iwata (1999) reports that there are too few studies analyzing voluntary simplicity per se and an operational measure for voluntary simplicity, such as a valid scale, is close to non-existent. Building on Shama and Wisenblit (1984) and Iwata (1999), aim to combine different subdimensions of voluntary simplicity and arrive at a multidimensional and comprehensive measuring tool for voluntary simplification research. Voluntary simplicity is believed to be transformed and evolved in time, considering the diverse product choices and lifestyles of today's world. However, the operational definitions and tools for measurement have not remained up to date.

Table 10.1 Dimensional structures of existing VS research

Özgül (2011)	Huneke (2005)	Iwata (1999)	Iwata (1997)
Four dimensions	Three dimensions	Unidimensional	Four dimensions
Planned shopping	Environmental and social responsibility	VS lifestyle	VS lifestyle
Self-sufficiency	Community		Cautious attitudes in shopping
Non-material living	Spiritual life		Acceptance of self-sufficiency
Simple products			Rejection of highly developed functions of products

10.2.2 Why College Students?

Literature has occasionally shown some relationships between demographics, such as income, marital status or age, and voluntary simplification. Voluntary simplicity shows a positive correlation with age and as people get older, they appreciate the VS lifestyle more (Iwata 1999). Özgül (2011) argues that younger people are more innovative, fashionable, and open to new products and therefore they make more unnecessary purchases. Married households make simpler and more necessity-based shopping compared to single households (Özgül 2011). However, this does not mean that VS is a much cheaper lifestyle. As Huneke (2005) discusses, organic produce is sometimes too expensive, so are environmentally friendly products. Huneke (2005) concludes that voluntary simplifiers come from the ranks of those whose basic needs are less well satisfied and who foresee an unsure future. Therefore, previous correlational studies are unable to delve into the complex nature of voluntary simplicity. As generations change, consumption practices change drastically (Williams and Page 2011). Hence, rather than simple demographics, consumption-related lifestyles, such as the VS lifestyle, manifest themselves differently across generations. This research is a step toward analyzing VS within a certain generation, called Gen-Z. Gen-Z represents more than 30% of the population in Turkey (Kitchen and Proctor 2015).

Previous research looked at environmental concerns and simplicity within generations. For example, Edwards (1996) reports that the majority of voluntary simplifiers were baby-boomers. Baby-boomers are those born between the years 1946 and 1964. This generation is the largest generation in size, and they have witnessed the enormous growth and economic surplus in the USA (Roberts and Manolis 2000). They value individualization, self-expression, and optimism (Williams and Page 2011). Baby boomers exhibit high levels of materialism and spending as well as increasing concerns about balancing their consumption and happiness (Williams and Page 2011). Therefore, it is safe to argue that anti-consumerism, simplicity, and lifestyles based on adjusting purchasing and shopping would be real concerns for this cohort.

Previous findings of the age—VS relationship show a positive correlation to voluntary simplification and age. Iwata (1999) and Özgül (2011) comment that as people get older, their shopping habits become simplified and therefore they appreciate the voluntary simplification lifestyle more than younger people. Younger people may demonstrate lower degrees of voluntary simplification, however, considering the multidimensional structure of VS, the younger may also pursue some dimensions of voluntary simplicity more and some to a lesser degree. For example, Millennials make extra effort to buy green products (Smith 2010). They are also seeking brands that make a positive effect on the environment, unlike previous generations (Gunelius 2008). Therefore, there is a gap in the literature to show differential evidence within generations according to different subdimensions and different behaviors related with voluntary simplification.

As time passes, generations are followed by younger generations with different values, attitudes, and behavioral patterns (see Table 10.2 for American generations). College students are thought to form a homogenous subgroup of society, based on age, values, generation they belong to and certain other characteristics. Most of the college students right now are labeled Generation Z, due to their birth years.

Coming two generations after the baby boomers, Gen-Z members belong to the population group that was born after 1994. Alternative names for this generation are Tweens, Baby Boomers, Generation 9/11, and Generation XD (Williams and Page 2011). What strikes the most about this generation is that they have witnessed many unfavorable political experiences such as global terrorism and they continue to do so. They embrace a newer version of conservatism and traditionalism (Williams and Page 2011). Smith and Brower (2012) state that personal and societal concerns for shopping (for example, choosing organic products over artificial produce) can be triggered by viewing unsettling world events presented in the media. Therefore, conscious consumption such as in voluntary simplicity practices seems to fit their emphasis on social and environmental concerns. Idols of Generation Z, such as Mark Zuckerberg, the founder of Facebook, are famous with his simple appearance (a hoodie and a pair of slippers), which is in sharp contrast to excessive consumption and luxury.

Moreover, newer generations show less brand loyalty and they show less confidence in brands compared to previous generations (Kitchen and Proctor 2015). Combined with resistance and skepticism toward advertising (i.e., TV ads) (Kitchen and Proctor 2015), Generation Z is more likely to simplify their brand choices. They are also more likely to resist TV advertising, which is an essential part of voluntary simplicity as evident from previous research (Huneke 2005). Generation Z is also expected more than ever to seek brands and products that are regarded as having a positive effect on the environment (Smith and Brower 2012).

Combining the above characteristics with their spending power amounting to billions, generation Z represent a profitable segment for marketers. There are approximately 60-million Gen-Z Americans, outnumbering their previous generations (Williams 2015). In addition to their spending power and population size, they are also dominant influencers, even more dominant than company-generated content and marketing activities (Williams 2015). In the age of digital marketing, Generation Z is highly accustomed to high-tech and cannot live without being connected to the Internet (Williams and Page 2011). They are called digital natives. Increased social

Table 10.2 American generations

Generation	Date of birth	Number (MM)	Age (in 2010)
Pre-depression	Before 1930	12	81 and above
Depression	1930–1945	28	65–80
Baby boom	1946–1964	80	46–64
Generation X	1965–1976	45	34–45
Generation Y	1977–1994	71	16–33
Generation Z	After 1994	29	Less than 16

Source Williams and Page (2011)

media platforms and word-of-mouth activities further foster their motivation for peer acceptance. Moreover, they demonstrate high levels of social media engagement and therefore constitute the biggest segment to target through the various social media strategies of brands. Therefore, it is crucial to learn their lifestyle, their attitudes and practices related to VS in an endeavor to identify and target the elusive VS consumers of Gen-Z.

10.3 Methodology

Measurement is a fundamental activity of science (de Vellis 2016), and there is a growing demand for measurement tools that capture the multidimensional nature of processes involved in consumer behavior. This study is an attempt to generate a reliable and valid scale to measure the voluntary simplicity lifestyle of customers.

The first step in scale development is to conduct a thorough review of the literature. The review also includes a list of the existing scales and measurement items related to VS. A generally accepted rule of thumb is that the initial pool needs to consist of twice as many items as the final scale (Netemeyer et al. 2003).

Through the analysis of existing literature and empirical research findings, an original item pool of 30 items has been obtained. The items include the voluntary simplicity practices revealed by Shama and Wisenblit (1984), Iwata (1997, 1999), and Shaw and Newholm (2002). A summary reporting the items and their sources is presented in Table 10.3; the resulting items were converted into their final shapes; ambiguous ones were deleted and necessary but similar items were replaced with their substitutes utilized in the previous scales in the literature.

After finalizing the pool of items, subsequent studies were designed. Study 1 carried the purpose of increasing the reliability of the scale via scale-trimming. Theoretically and statistically, we aimed to trim the scale of weak and unnecessary items to refine it. Then, Study 2 is designed to reveal the final multidimensional structure of the VS scale and check the scale's relationships with related practices (such as recycling practice) to provide nomological validity evidence.

Study 1

The first study is designed in order to aid the item-trimming procedure. A study to assess internal reliability, purification, and dimensionality is conducted with an initial sample of 100 undergraduate students of a major European university (56 males, mean age = 21.55, SD = 2.01). The age bracket of the respondents ranged between 18 and 28. The income level of the sample is presented in the Appendix (Appendix 1). Students were selected from two undergraduate marketing courses. They were first given a brief definition of voluntary simplicity in order to familiarize them to the subject. The objective of the study is to better understand voluntary simplification and the relationship of voluntary simplicity with related concepts such as materialism and demographics.

Table 10.3 Original item pool

• I am more interested in personal growth than in material growth
• I am consistent in my practice of voluntary simplicity
• I practice voluntary simplicity in my daily life
• I avoid impulse purchases
• I look to technological solutions for more sustainable consumption choices
• I prefer products with simple functions to those with complex functions
• Material affluence is very important to human happiness[a]
• I have a satisfying wage-earning job
• I prefer buying locally grown produce
• I prefer limiting exposure to TV
• I prefer limiting exposure to ads
• I prefer limiting car use
• I prefer buying from socially responsible producers
• I prefer buying from local merchants
• I am active in the community
• I am politically active
• I prefer making rather than buying gifts
• I maintain a spiritual life
• I prefer buying organic foods
• I am friends with neighbors
• I am eating a vegetarian diet
• I prefer buying green products (such as catalytic converters on fuel-economic cars, clockwork radios, superefficient refrigerators, and laundry balls)
• I seek out fair-trade products
• I favor small stores
• I prefer sharing rarely used goods (such as ladders and decorating equipment)
• I prefer repairing instead of buying new
• I purchase good-quality second-hand goods
• I have concerns to simplify my diet
• I wish to change the world
• I practice recycling

[a]Reverse item

Scale Purification

According to the descriptive statistics, there is no extremity and there is no significantly loaded item. Analyzing the means, it is observed that the highest rated item overall is "I am more interested in personal growth than in material growth" (mean = 5.66/7.00) followed by "I wish to change the world" (mean = 5.51/7.00). This finding reasserts the emphasis on a different worldview expressed by simplifiers which was also observed in previous qualitative studies. This finding is also reflected in previous research about the values of Generation Z. Williams and Page (2011) reported that Generation Z believes that they can impact the world and they are possibly the most imaginative generation. The item with the lowest mean is "I am eating a vegetarian diet (mean = 2.07/7.00) which is one of the most specifically worded items in the scale.

With the aim of scale purification, the results were analyzed in terms of Cronbach's Alpha item-total statistics. Statistically, the "Cronbach's Alpha if Deleted" scores guided the purification process toward the highest reliability score. Statistically, four items were omitted due to …? have also made some theory-driven deletions, guided by existing theory and literature on VS. have deleted four items since they did not fit the domain of voluntary simplicity conceptually such as "avoiding impulse purchases."

I have omitted the item "I am eating a vegetarian diet" with certain methodological concerns in mind. First of all, "Cronbach's Alpha if Deleted" analysis revealed that the overall reliability of the scale increases by 0.002, if this item is deleted. Moreover, as reported above, this item is the one with the lowest mean score with 2.07/7.00. This finding signifies that the number of vegetarians among the sample is very small. Third, and the more important reason, is that the wording of the item is not convenient for a seven-point Likert scale from disagreement to agreement. A dichotomous scale would be more convenient for a vegetarianism question. Therefore, this item disrupts the coherence of the VS scale and is omitted. In order to increase the overall reliability to 0.871, deleted the items "I prefer sharing rarely used goods (such as ladders and decorating equipment)" and "I purchase good-quality second-hand goods."

After this point, some deletions guided by theory have also been made. The first item deleted in this manner is "I am consistent in my practice of voluntary simplicity." This statement rather refers to the consistency of VS behavior, rather than attitude or a component of VS lifestyle. Therefore, this item is more convenient for validating the scale at the behavioral domain and inconvenient for operationalization and measurement purposes. Second, the item that reads "I practice voluntary simplicity in my daily life" was also deleted since it is a single-item self-report of VS behavior on its own.

Third, I omitted the impulsiveness item guided by theory. Theory states that impulse buying is unplanned, decided on the spot, stems from reaction to stimulus and involves a cognitive and/or an emotional reaction (Piron 1991). More specifically, the tendency to engage in impulse buying is defined as the degree to which an individual is likely to make unintended, immediate, and unreflective purchases (Jones et al. 2003). Impulse purchasing is a multidimensional concept that requires measurement via several items. Moreover, it has been established as a totally separate construct than voluntary simplicity and a few works have already analyzed whether there is any relationship between these two conceptually different constructs. For example, Huneke (2005) argues that impulsiveness is inversely related to voluntary simplicity since deliberativeness is a key concept in explaining VS lifestyle and avoiding impulse purchases requires enormous amounts of self-control during shopping.

The fourth item to delete is the only reverse item among the scale items which is "Material affluence is very important to human happiness." Theoretically, this item is more convenient for measuring materialism in a reverse manner and not for directly measuring voluntary simplicity. The wording of the item sounds similar to the happiness subdimension of the materialism scale of Richins and Dawson (1992) since it connects happiness with materials.

I have also omitted another item on theoretical as well as methodological grounds. Since our sample consists of university students, omitted the item that reads "I have a satisfying wage-earning job." This item seriously limits the usability and generalizability of this scale across different samples, ages, and occupations. After deleting five items on theoretical grounds, the overall reliability score of the 22-item scale ($\alpha = 0.862$) and the mean score for the voluntary simplification lifestyle scale turned out to be 4.47 over 7. The reliability score satisfies the common threshold of 0.70, even though exploratory research like this scale generation attempt allows for even less (Hair et al. 1995). At this stage of the research, minimum Alpha levels acceptable vary between 0.60 and 0.70, and the reliability score of the total scale is satisfactory as well.

Nomological Validity

To find evidence for the place of the VS measure in a nomological net, the initial survey included some additional questions. Thus, in order to look for nomological validity, materialism as a trait is checked for its relationship with the VS scale and a significant negative correlation ($r = -0.362$, $p < 0.01$) confirmed the hypothesized inverse relationship. However, it is not appropriate to propose causality or a direction for any relationship at this stage of the investigation.

The questionnaires included various demographics like age, gender, and income. A negative significant correlation between voluntary simplicity and age ($r = -0.202$, $p < 0.05$) speculates that older people report less voluntary simplicity activities. Therefore, as age increases, the discipline or control of media exposure and material life diminishes. Since the factor analysis provides sound results with samples equal to or more than 200 (Comrey 1988), the data collection process continued in Study 2.

Study 2

The item generation and trait reliability analyses had been performed using small-scale samples in accordance with the method requirements until the validation phase. However, in order to test for the scale's dimensionality, the remaining 22 items were distributed to a new, large, and different sample of 364 students (201 males, mean age = 22) from two different universities in return for course credit. Additional measures were also collected to assess the validity of the scale. The age bracket of the respondents ranged between 19 and 37. 56.3% of the respondents reported themselves to be in the middle-income group compared to 5.5% in the low-income group. The high-income group again makes up the smallest percentage of the sample with 3%, which is generally the case in survey results, probably stemming from the unwillingness to disclose and sample characteristics.

The factor analysis provides sound results with samples equal to or more than 200 (Comrey 1988). Next, an exploratory factor analysis (EFA) with Varimax rotation was used in order to check the original dimensional structure of the data. We deleted 11 items that showed high cross-loadings. After checking the loadings according to the dimensions guided by theory, we deleted these items. Large values for the Kaiser–Meyer–Olkin measure of sampling adequacy indicate that a factor analysis of the variables is appropriate. The observed KMO measure of 0.731 and a significant Bartlett's test of sphericity encouraged the multidimensional structure.

Total variance explained by the four-dimensional structure is 63.65%. The composite reliability of the overall scale is 0.754. As a rule of thumb, loadings between 0.60 and 0.90 are considered acceptable (Bagozzi and Yi 1988). The overall reliability score of the scale satisfies the common threshold of 0.70 (Hair et al. 1995). Moreover, the scale reliability analysis reported that the reliability does not increase if any of the 11 items are deleted. The resulting factor loadings are presented in Table 10.4 and a scree plot for the proposed factors is demonstrated in Fig. 10.1.

Four resulting dimensions are labeled in a theory-driven fashion. The first dimension includes items like choosing socially responsible producers as well as green or fair-trade products. These three items previously belonged to two different scales

Table 10.4 Factorial loadings

	Rotated component matrix[a]			
	Components			
	1	2	3	4
2	0.855	0.111		
3	0.686	0.257	0.187	0.179
1	0.644		0.358	0.178
9	0.246	0.719		−0.211
8	0.123	0.718		
6		0.604	0.280	0.346
7	0.115	0.557	0.134	0.187
4	0.175		0.881	
5	0.223	0.152	0.855	
11				0.838
10	0.302			0.719

Extraction Method: Principal component analysis
Rotation Method: Varimax with Kaiser normalization
[a]Rotation converged in five iterations

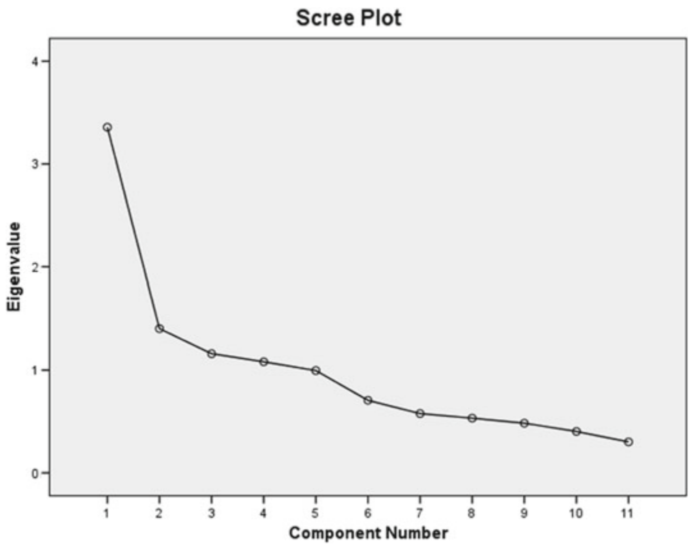


Fig. 10.1 Scree plot of the factorial structure

measuring VS (Huneke 2005; Shaw and Newholm 2002). However, when combined, they make up the careful, deliberate, green, and therefore, responsible shopper. The second dimension is totally related to supporting local producers as well as sellers. These preferences, favoring the local, belong to a conceptually different dimension than seeking out green or fair-trade products. Yet again, the second dimension combines items from two different scales measuring VS (Huneke 2005; Shaw and Newholm 2002). The third dimension interestingly touches upon the spiritual and the social realm, rather than the behavioral shopping realm. The third item, named the Yoda, consists of four items that tap interest in personal and spiritual growth as well as communal and social growth. The items in the third dimension are combined from the different scales of Shama and Wisenblit (1984) and Huneke (2005). Interestingly, one of the widely used and recent scales of voluntary simplicity, Shaw and Newholm's scale (2002) does not tap into social relations and the importance of community.

The last dimension is too specific compared to the other three dimensions since it analyzes self-control against mass media. Limiting TV and ad exposure is thought to help control consumption desires. For example, Boujbel and d'Astous (2012) demonstrated that, among financially restricted populations, voluntary simplicity helps to control consumption desires and therefore provides life satisfaction. The "no media" dimension might be a step in understanding this complex relationship between media, ads, desires, self-control, and simplicity. The multidimensional structure and related items are provided in Table 10.5.

After naming the factors, confirmatory factor analysis (CFA) was performed by using AMOS 23.0 in order to assess the proposed multidimensional model fit. The hypothesized four-factor model was estimated, and the results show a fit between the proposed dimensional structure and the observed covariance among items in the factors. In the next section provide findings and comment on fit indices such as the close-fit probability (PCLOSE,) adjusted goodness of fit index (AGFI); comparative fit index (CFI); incremental fit index (IFI); relative fit index (RFI); and modification indices (MI) to see whether there are MI scores among error terms showing a lack of covariance.

A carefully performed factor analysis also plays a crucial role in supporting the discriminant validity of a newly developed measure (Clark and Watson 1995). Low covariance among the four factors shows the discriminatory validity of the three distinct factors proposed. The covariances are presented in the following Table 10.6.

The PCLOSE is acceptable when greater than 0.05 and the score of the model is 0.695. Moreover, the model has satisfactory fit scores as shown in Table 10.7. The CFI, GFI, and AGFI scores are above 0.90, which signifies good fit.

Nomological Validity

To find evidence for the place of the VS lifestyle scale in a nomological net of voluntary simplicity, the questionnaire included some additional questions. The question about recycling was intended to measure the behavioral reporting of recycling by requiring a response to the item "I practice recycling" on a seven-point Likert scale.

Table 10.5 Multidimensional structure of the VS scale according to Study 2

Factor	Items
1. The responsible shopper	1. Buying from socially responsible producers 2. Buying green products (such as catalytic converters on fuel-economic cars, clockwork radios, superefficient refrigerators, and laundry balls) 3. Seeking out fair-trade products
2. The local shopper	1. Buying locally grown produce 2. Buying from local merchants
3. The Yoda	1. More interested in personal growth than in material growth 2. Maintaining a spiritual life 3. Being active in the community 4. Being friends with neighbors
4. No media	1. Limiting exposure to ads 2. Limiting/eliminating TV

Table 10.6 Covariance among factors

	Covariances among factors			
	1	2	3	4
1		0.48	0.52	0.42
2			0.44	0.29
3				0.31
4				

Table 10.7 Model fit statistics

Model fit	RMSEA	RMR	CFI	PNFI	PGFI	AIC	GFI	AGFI
Default model	0.043	0.096	0.974	0.501	0.581	121.175	0.972	0.946
Chi-square	57.175							
df	34							
$p =$	0.008							

The reason for choosing this variable is that intent is related to behavior in the theoretical models in many studies. Johnston and Burton (2003) state that simple-livers often follow the motto of "reduce, reuse, recycle". Recycling often comes up in the literature in positive relation with voluntary simplicity in the form of definitions as well as consumer verbatims (i.e., Wu et al. 2013; Shaw and Moraes 2009).

Thus, in order to look for nomological validity, recycling practice is checked for its relationship with the VS lifestyle scale and a significant positive correlation ($r = 0.426$, $p = 0.01$) confirms the hypothesized relation. However, it is not appropriate to propose causality or a direction of any relationship at this stage of the investigation.

10.4 Conclusions

Even though anti-consumption, ethical consumption, voluntary simplicity, and minimalism are not very recent phenomena, there is a lack of empirical evidence and therefore a lack of operationalization tools about the measurement of these concepts in the marketing literature. The shifts in consumer attitudes and behavior should be captured rigorously in order to make correct assessments and to take necessary actions. In particular, this chapter presents a step toward understanding and measuring the voluntary simplicity levels of individual consumers. More specifically, this research focuses on a relevant portion of the consumer population, namely Generation Z. In this study, some statistical evidence is provided regarding the dimensionality, reliability, and validity of the proposed VS scale. The evidence further includes item and factor analyses, construct and nomological validity.

Two rounds of data collection from relevant samples resulted in a final valid and reliable scale measuring voluntary simplicity. Moreover, a four-dimensional structure is established after running confirmatory factor analysis in AMOS. The resulting scale, its items and dimensions are theoretically sound and methodologically strong. The scale, therefore, consists of four distinct but interrelated constructs, which represent the Responsible Shopper, the Local Shopper, the Yoda, and No Media. The Responsible Shopper dimension, consisting of three items, represents opting for socially responsibly produced, fair-trade, and green products. Products such as environmentally friendly durables such as refrigerators as well as environmentally friendly consumer goods such as detergent balls are provided as examples in one of the items in this dimension. On the other hand, the second dimension, which is the Limited Shopper, is comprised of two items. This dimension represents opting for locally produced products as well as local merchants. Therefore, not only should an establishment sell locally grown produce, but also not belong to a foreign or distant chain or brand to serve the voluntary simplifier segment. Supporting the local economy and production is a key ingredient of voluntary simplicity, even though the items reflect a shopping habit and not a not-shopping habit. The third dimension, consisting of four items, is believed to tap the spiritual domain of voluntary simplicity. The items under this dimension are related to favoring spiritual richness compared to material richness, maintaining a spiritual as well as a communal life and being friends with neighbors. Therefore, the emphasis of voluntary simplifiers is on spiritual growth but not in isolation from other people. On the contrary, spiritual growth and richness are closely tied to rich social relations with the immediate community of the individual. The final dimension is a rather specific and modern construct called No Media. Consisting of two items, this fourth dimension touches upon the self-control of the individual in limiting his/her own advertisement exposure and TV exposure. The ad exposure limitation is especially important, considering the preference of youth for using adblockers and choosing broadcast networks without classical advertising over mass-broadcast TV channels.

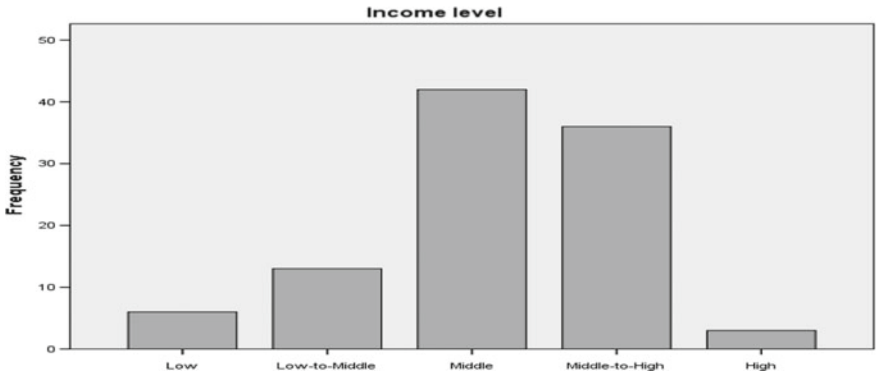
Methodologically, this research employed several techniques related to scale development. Study 1 is used for scale-trimming and increasing the reliability of the scale. Study 2 mainly revealed the multidimensional structure of the resulting VS scale, and we showed a positive correlation between VS and recycling as nomological validity evidence. Study 2 results also showed that males reported significantly higher levels of voluntary simplicity compared to women (t (356) $= 2.273$, $p = 0.024$, $M_{\text{males}} = 5.12$, $M_{\text{females}} = 4.92$). There was no question included in the questionnaire to assess the reasons for this difference, however, Craig-Lees and Hill (2002b) discussed some topic-related differences between genders in terms of voluntary simplicity attitudes and behaviors. While females approach objects from a more emotional point of view (i.e., heirlooms), males look for more instrumental value (Craig-Lees and Hill 2002b). However, much more research is needed in the future to comment in depth on the gender and demographic-based differences in the ethical consumption domain.

The limitations of the study need to be noted here as well. The full validation of the scale should be the subject of the next phase of data collection. Time-related and financial restrictions prevented probabilistic sampling procedures. The obtained results pertain to the tested samples and generalization is limited. Larger samples should be employed in the future together with different variables in order to construct a larger nomological net of related constructs.

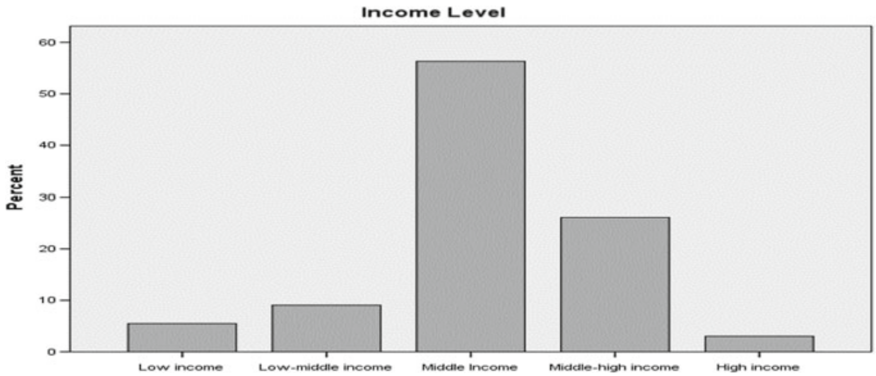
Future studies should contribute via replication and extension across different contexts and cultures. As mentioned in the previous sections, there will be generation-related differences in terms of voluntary simplicity lifestyles. The literature is full of examples from Baby-Boomers as well as Millennials, while the present study focuses on Generation Z. Related with generations, one would expect age- and gender-related differences as well.

Appendices

Appendix 1: Income Distribution of the Sample in Study 1



Appendix 2: Income Distribution of the Sample in Study 2



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Chapter 11
Profiling Green Consumers in an Emerging Country Context

Ipek Altinbasak-Farina and Gozde Guleryuz-Turkel

Abstract The environmental issues have long been at the center of attention of academia, companies, and governments. The consumers of today are more environmentally conscious while making their purchase decisions. The positive attitude onto environmentally friendly products resulted in a "new marketing philosophy," namely green marketing. The research that investigates the topics related to green marketing on consumers from emerging countries is restricted. In this study, in order to understand the profile of green consumers, a survey is conducted with 504 respondents. Green marketing phenomenon has emerged as a result of the green movement within the society and grew up related with the ecological and societal marketing concepts (Peattie and Charter 2003). The study segments the Turkish consumers in accordance with their green behaviors as well. Another finding which is consistent with previous literature is that consumers tend to perform a green behavior if it is easy to perform, especially at home. This study provides an understanding of the green consumer behavior to further research in green marketing field.

Keywords Green behavior · Green consumer · General ecological behavior · Consumer behavior · Green marketing · Green consumer profiling

11.1 Introduction

Green marketing phenomenon has emerged as a result of the green movement within the society and grew up on the concepts related with the ecological and societal marketing concepts (Peattie and Charter 2003). Although it has been discussed within the marketing field since 1960, a concrete definition of green marketing is deceptive

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(Polonsky 2011). The consumer behavior research started to give more emphasis to environmental problems by the 60s (Straughan and Roberts 1999). In 1975, the American Marketing Association organized the first workshop “Ecological Marketing.” Just after this workshop, one of the first books on green marketing—Ecological Marketing by Hennison and Kinnear (1976)—was published (Polonsky 1994). The roots of green marketing go back to 1970s until the emergence of “ecological marketing” concept (Hennison and Kinnear 1976). By the end of 80s, the marketing field started to discuss the phenomena of environmental concern. By the end of 90s, the research was pointing that more environmentally and socially conscious companies were becoming more competitive (Roberts 1996). The 1990s can be counted as the turning stone for green marketing phenomena which cause the environmentalism of the 1970s turned out to be green marketing in the 1990s (Peattie and Charter 2003). The 90s was accepted as the “decade of the environment” (Brown and Wahlers 1998) or as the “the Earth decade” (McDaniel and Rylander 1993). Within this decade, social and environmental worries have collected excessive importance in consumers’ purchasing decisions (Menon et al. 1999). Firms that would like to differentiate themselves paid more attention to environmental issues while developing their management and marketing strategies (Menon et al. 1999; D’Souza et al. 2006). In the 90s, becoming greener was demonstrated as a source of competitive advantage (Elkington 1994; Azzone and Bertelè 1994). In 2003, Peattie and Charter came up with 4 “Ss” (customer Satisfaction, product Safety, Social acceptability, and Sustainability) instead of 4 “Ps” of marketing. Defining and profiling green consumers become more important for managers, especially for segmentation and targeting purposes (D’Souza et al. 2007). The impact of the green efforts to business was also drawing the attention of academia. For instance, recent studies have demonstrated that green marketing has a positive influence over financial performance; this increased the commitment to green management (Huang and Kung 2011). Though most of the studies on green consumer behavior were based in Europe and American contexts within the last decade, it started to move into Asian regions by the end of the 90s (Lee 2009; Gurau and Ranchhod 2005).

Within this time period started from the 60s, the green marketing concept merely concentrates on environmental issues and the grift relationship between business, society, and the environment. It also addresses the potential negative consequences of essential problems such as the social, economic, technical, or legal systems (Peattie and Charter 2003). Welford (2000) defined green marketing as a process of identifying, anticipating, and meeting the consumer needs and society as well in both profitable and a sustainable manner. Each company may have taken different approaches to green marketing initiatives with respect to their strategical needs, resources, and capacities. The literature suggested that green marketing has three levels (1) strategic greening—a fundamental change in corporate philosophy, (2) quasi-strategic greening—a substantial change in business practice, and (3) tactical greening—shifts in functional activities (Mennon and Mennon 1997).

Today, green marketing is not only being considered a source of competitive advantage (Chen and Chai 2010), but it is also started to be viewed as a tool for monitoring and satisfying consumer wants and needs in a context of environmental responsibility (Peattie and Charter (2003).

11.2 Green Consumers

The role of consumers in green marketing has been accepted as the most important among the other stakeholders since it is the responsibility of them to use ecologically less damaging products to protect the environment (Fisk 1974).

> A green consumer can be identified to be one who avoids any product which may harm damage to any living organism, cause deterioration of the environment during the process of manufacturing or during the process of usage, consume a large amount of nonrenewable energy, involves unethical testing on animals or human subjects. (Elkington 1994, p. 1)

Banerjee et al. (1995), defined the "green consumer," as individuals adopting their attitudes and behaviors in a manner to minimize adverse effects on the environment. In 1996, Roberts defined the ecologically conscious consumers as the ones who are seeking to consume only products that cause the least—or do not exercise any—impact on the environment. Kilbourne et al. in 1997, defined them as the one that prefers sustainable consumption, minimizing the use of natural resources, toxic materials, emissions of waste and pollution, so as not to harm the needs of future generations. In 2007, Hailes argued that a green consumer is an individual who purchases or consumes products by being aware of its possible consequences on environmental preservation. So, it can be said that green consumers are socially conscious individuals who are taking into consideration the environmental consequences of their consumption decisions and who are making a purchase decision to reduce the negative environmental consequences (Kumar and Ghodeswar 2015).

The past literature revealed that consumers are very concerned about the environment and this has an impact on their daily-consumer preferences (Akehurst et al. 2012; Paul et al. 2016; Afonso et al. 2012). Several researches demonstrate that aware and environmentally conscious consumers have more favorable attitude toward socially responsible companies (Sen and Bhattacharya 2001; Kotler and Lee 2005; D'Astous and Legendre 2009). Unfortunately, consumers have still low level of awareness of companies' CSR practices (Carrigan and Attalla 2001; Pomering and Dolnicar 2009). On the other hand, it was proved that consumers are skeptical about the environmental activities of companies; some consumers perceive companies' CSR practices in a negative manner because of "consumer skepticism" (Pomering and Dolnicar 2009) since they believe that most of the CSR initiatives are for profit-generating motives (Becker-Olsen et al. 2006; Dewald et al. 2014).

Another important point should be mentioned is that even though the awareness about green issues has been increasing, the market shares of green products have not significantly increased (Tseng and Hung 2013). Green consumption is still holding a small share from the overall market, per Sheth et al. (2011). Studies show that it is not necessarily meaning that consumers would like to act a purchase behavior although they have a positive attitude toward environmental consumption or intention to purchase or patronize a greener product. These inconsistencies between attitude and behavior were commonly referred to as the attitude–behavior gap (Claudy et al. 2013) in the relevant literature. There are also some barriers in the market that prevents performing an actual green behavior. It was observed from different sources that the most common barriers prevent consumers from performing a green behavior can be mentioned as:

a. low willingness to pay a price premium due to high prices (Manaktola and Jauhari 2007; D'Souza et al. 2006);
b. lack of trust (Rahbar and Wahid 2011; Coddington 1993);
c. low levels of awareness of consumers regarding green issues (Dangelico and Pujari 2010);
d. literacy level which draws a positive relation with green behavior (Webster 1975; Chan 1999);
e. difficulty in adopting green behavior and using green products regularly (Ozaki 2011).

11.3 Profiling Green Consumers

The profiling of the targeted consumers is a crucial step in developing relevant marketing strategies to capture green consumers in the market. Extant research in literature about green marketing has focused on profiling the typical green consumer (Schlegelmilch et al. 1996; Shrum et al. 1995). Socio-demographics were the most investigated control variables in this sense. Researchers looked at the influence of demographic factors and how they relate to the perception of green behavior. (Hu et al. 2010; Roberts 1996; Schubert et al. 2010; Zimmer et al. 1994).

Within the past literature about ecology and green marketing, age has been widely explored (e.g., Aaker and Bagozzi 1982; Anderson and Cunningham 1972; Anderson et al. 1974; Kinnear et al. 1974; Roberts 1996; Roberts and Bacon 1997; Sandahl and Robertson 1989; Van Liere and Dunlap 1981; Zimmer et al. 1994, Ansar 2013; Huang et al. 2014). The very first attempts to suggest a profile for green consumers were that of Lutterman and Berkowitz (1968) and Anderson and Cunningham (1972). Anderson and Cunningham (1972) argued that these individuals are belonging to a high socioeconomic class and are professionals. Even further, they profiled a green consumer as a 40-year-old female with a high level of education and socioeconomic status. This definition has been supported by other studies that showed women are more environmentally conscious (Banerjee and McKeage 1994).

The prevalent belief is that younger individuals are prone to be more conscious of environmental issues. However, the findings within the past literature are contradictory. Some of the researchers demonstrated that age has no significant relation with green attitudes and behavior (e.g. Kinnear et al. 1974; Roper 1990, 1992). Some others have found that they have a significant negative relation with environmental behavior (e.g., Anderson et al. 1974; Van Liere and Dunlap 1981; Zimmer et al. 1994). Still some others have put forward that the relationship between age and environmental behavior is significant and positive (e.g., Roberts 1996; Sandahl and Robertson 1989; Huang et al. 2014; Eslaminosratabadi 2014).

The effect of gender over green behavior was also investigated (Tognacci et al. 1972; Sandahl and Robertson 1989; Eslaminosratabadi 2014; Akehurst et al. 2012, Roberts 1996; Roper 1990, 1992; Stern et al. 1993; Van Liere and Dunlap 1981; Hu et al. 2010; Huang et al. 2014). It is widely accepted that women are more environmental conscious, however, their positive attitude or intention is not resulted in an act of purchase. Theoretical validation for this view depends on the common belief that, women, as a result of social development, are more cautiously consider the results of their actions toward others (Eagly and Kite 1987). However, the results of gender-based surveys are still far from convincing. Several studies have found no significant relationship (Sandahl and Robertson 1989; Tognacci et al. 1972; Eslaminosratabadi 2014). Several others' findings support that women are more conscious about environmental problems (Roberts 1996; Roper 1990, 1992; Stern et al. 1993; Van Liere and Dunlap 1981; Hu et al. 2010; Huang et al. 2014).

Although the studies about income variable are not providing convincing results, corporate social responsibility income is generally assumed to be positively related to environmental sensitivity. The most common reasoning for this irrelevant belief is that as the income level increases, individuals tend to patronize green product offerings more. Numerous studies have explained the role of income as a predictor of ecologically conscious consumer behavior (Anderson and Cunningham 1972; Antil 1978; Kinnear et al.1974; Newell and Green 1997; Van Liere and Dunlap 1981; Zimmer et al. 1994; Eslaminosratabadi 2014; Zhu et al. 2013). There are studies that have shown a significant positive relationship between income and environmental attitudes and behaviors (Kinnear et al. 1974; Zimmer et al. 1994). However, there are some other studies that have proved the opposite (Roberts 1996; Sandahl and Robertson 1989).

Majority of the research related to education level argue that as the level of education increases, the consumers know more about green practices and place higher sensitivity on green practices (Roberts 1996; Zimmer et al. 1994; Hu et al. 2010). Even though the outcomes of several researches that examined education and environmental concerns are more consistent than the previously mentioned demographic indicators, a decisive association between these variables has not been recognized. The majority of the studies have found a significant and positive relationship in general (Aaker and Bagozzi 1982; Anderson et al. 1974; Roberts 1996; Van Liere and Dunlap 1981; Zimmer et al. 1994; Zhu et al. 2013; Nittala 2014). On the other hand, Sandahl and Robertson (1989) observed that there is no positive relation between literacy and green behavior.

There is a limited source about the green consumer profiles within the Turkish context since the phenomenon is pretty new for the Turkish companies and consumers. A very recent study conducted in Turkey by Altinbasak-Farina and Guleryuz-Turkel in 2015, demonstrated that other than the gender, the demographics of the consumers do not have significant influence to explain their intention to purchase a socially responsible product.

11.4 Green Behavior and Measuring Green Behavior

Green behavior explained as the behavior performed to minimize the negative influence of one's actions on the natural environment (Steg and Vlek 2009). It is the result of attitudes and concerns related to environmental destruction, global climate change, and other ecological effects of human activity (Stern et al. 1993). It includes the attempts of an individual to minimize resource and energy consumption, use of non-toxic substances and reduce waste production (Kollmuss and Agyeman 2002).

Maloney and Ward (1973) developed the first instrument to measure general ecological behavior. Hines et al. developed the "Model of Responsible Environmental Behavior" which was based on Ajzen and Fishbein's theory of planned behavior (Hines et al. 1986–87; Hungerford and Volk 1990; Sia et al. 1985–86). The authors stated that there are six antecedents that end with ecological behavior. People are more likely to have engaged in environmentally responsible behavior:

a. if they are more familiar about environmental problems;
b. if they know more about their impact on the environmental problem;
c. if they have stronger internal Locus of control in other words if they do believe that their actions can bring about a change;
d. if they have strong pro-environmental attitudes;
e. if they are communicated well enough;
f. if they have greater sense of personal responsibility;

Another measure of general green behavior was developed by Hungerford et al. (1980). This measure consists of five subscales (eco-management, persuasion, consumerism, political action, legal action), and it was found as a well-established one. One other different instrument to measure the general green behavior is that of Fejer and Stroschein in 1991 (Kaiser 2000). They collected different ecological behaviors in seven subscales; these subscales were ordered by their difficulty to complete. Kaiser identified two different points should be considered while guessing about green behavior: (1) tendency—estimating the probability of behaving ecologically, (2) behavior difficulty—estimating the probability of anyone carrying out a certain behavior (i.e., behavior difficulty). Later in 1998, Kaiser developed the general ecological behavior scale which involves 40 different ecological behaviors. Gilg and Barr recently developed a relatively new instrument in 2005, to examine four different and specific environmental behaviors which were, namely energy saving, water conservation, waste management, and green consumption, in and around the home. The respondents were asked to demonstrate how frequently they perform the given statements on a 1–5 (never-always) scale. As a result of an exploratory factor analysis, three factors were obtained. The first factor, namely "purchase decisions," contains items relating to green consumption, but also energy-, water-saving behaviors, and two waste-management behavior's items. The second factor which was named as habits related to more frequent, relatively routine, actions in the home. These are defined as "habitual" because respondents are likely to perform these ecological behaviors more regularly. The items were found in this second factor mainly focused on either water or energy-saving activities. The final group of factors (recycling), on the other hand, is different than the other two with a focus on recycling and the treatment of post-consumer waste items.

11.5 Hypothesis Development

Majority of the studies about the green marketing phenomenon have been done in developed countries. The research that investigates the topics related to green marketing on consumers from emerging countries are found to be restricted. The studies about the ecological consumers in Turkish context are also limited. This study aims to understand the profile of green consumers and assess their ecological behaviors within the Turkish context. Within the light of the given literature, the below-mentioned hypothesis was developed.

Hypothesis 1: Age has significant relationship with green consumer behavior.
Hypothesis 2: Gender has significant relationship with green consumer behavior.
Hypothesis 3: Marital status has significant relationship with green consumer behavior.
Hypothesis 4: Consumers with children are more likely to perform a green behavior.
Hypothesis 5: Level of income has significant relationship with green consumer behavior.
Hypothesis 6: Education level has significant relationship with green consumer behavior.

11.5.1 Methodology

In order to measure the general green behaviors of consumers for the given purposes, a 22-item scale was adopted for this study. A total of 17 items that would fit most to Turkish context were taken from Gilg, Barr, and Ford (2005) which involves 36 items. Three items were added from Kaiser et al. (1998) that are not covered by Gilg et al's. (2005) study. The reason for adopting only some of the items of both studies is the findings derived from the previous qualitative study conducted by the authors. The items that were explored within the qualitative study designed for the same purpose were chosen and, finally, two new items were added with respect to the results of the qualitative studies that were explored to be important for Turkish consumers. Respondents were asked to indicate the frequency of performing a pro-environmental behavior between 1 (never) and 5 (always).

A snowball-sampling procedure is used which merely refers to a convenience sampling mechanism with the motivation to decrease the cost of reaching the target population (Handcock and Gile 2011). The online questionnaire form was sent to the personal address list, and the respondents were asked to share the link with their own lists.

The other important issue to ensure reliability and validity is the sample size. Calculation of the relevant sample size is an important part of the research design. The exact number of the population cannot be detected, however, it is assumed that the employed individuals in Turkey have the potential to make their own consumption decisions and may be defined as "consumers." It is estimated around 30,000,000, so the minimum sample size was calculated from this total estimated number. In accordance with Krejcie and Morgan's (1970) study, which studied sample size calculations in research when the population (N) is higher than one million with a standard error of 0.05, the minimum sample size should be 384 for quantitative research. For the structural equation modeling (SEM), a minimum of 200 participants should be reached (Kline 2011).

The questionnaire is designed as a self-administrated one which refers to a data collection method without the presence of the researcher and the participants completed the questionnaire by themselves. The questionnaire started with a brief description of the aim of the study. The second part involves statements to measure green behavior in general. The last part of the survey instrument is about the demographics of the participants and the survey resulted in a thanks message.

The study is conducted and the questionnaires have been collected in February and March 2017. A total of 598 people have completed the survey. So as to treat the missing value problem, the listwise deletion is preferred. This procedure decreases the number of responses to 522. Univariate normality was evaluated through the skewness and kurtosis coefficients. The variables that have kurtosis and skewness levels higher than 3 and lower −3 were identified. Only for those variables, the outliers were identified based on the *z*-score outliers rule. As a result of this procedure, the number of the responses decreased to 504 which is good enough (>384) to conduct the analysis (Krejcie and Morgan 1970). Finally, multicollinearity analysis is applied to all the items in the scale so as to identify whether there is a high correlation between any two of them. The VIF scores, which are all below ten, demonstrated that there are no multicollinearities.

11.5.2 Findings

The 504 respondents' full answers were analyzed, and the demographic characteristics of the samples were detected. In accordance with the purpose of this study, the target is to reach to adults who have occupation and income, who are higher than 18 years old and as a result who have potential to make the purchase decision by their own.

So as to provide valuable findings in terms of managerial implications, the ages of the respondents were coded due to the generational cohorts' age intervals. In accordance with the generational cohort theory, the individuals born during a time will often share specific preferences and cognitive styles (Jurkiewicz and Brown 1998). Generational cohorts have similar beliefs, values, attitudes, and logical processes. Since they will shape individuals' way of thinking, acting, reasoning and processing information, they certainly needed to be investigated (Balda and Mora 2011). Furthermore, these effects found to be long-lasting (Jurkiewicz and Brown 1998). On the other side, it is crucial to be able to examine like-minded individuals for the behavioral sciences, such as marketing, especially for segmentation and targeting purposes; setting the marketing mix and communication strategies.

There are five well-known generations in the literature. The Silent Generation (or Veterans; born 1933–1945) (Schiffman and Wisenblit 2015); Baby Boomers (born 1946–1964) (Schiffman and Wisenblit 2015); Generation X (born 1965–1979) (Schiffman and Wisenblit 2015); Generation Y/Millennials (born 1980–1996), and Generation Z (born after 1996). There is no consensus regarding the time interval that defines the generational cohorts. Within this study, the accepted criterion is of Schiffman and Wisenblit, 2015. In accordance with the accepted age intervals, 38.5% of the respondents are Gen Y and 39.5% of the respondents are from Gen X members. The Boomers generation is forming almost 21% of the respondents. There is also a very small proportion of Silent Generation. The detailed distribution can be followed in Table 11.1. The gender distribution of the respondents is almost equal with 46.2% males and 53.7% females. This result permits for further investigation.

The education level of the respondents is higher than the average literacy level in Turkey as expected. The aim was to reach to the individuals who are employed and since the snowball technique was accepted to be used it is inevitable to reach respondents with high income and education levels in Turkish context. Almost 90% of the respondents have at least a bachelor's degree 33% of the respondents are single and while 67% is married. Almost half of the individuals have an income higher than 5000 TL. With respect to the descriptive results, the respondents who have children are around 63%.

Factor Analysis

General green behavior construct which has 22 variables in total and 0.85 Cronbach's Alpha score. An exploratory factor analysis with a varimax rotation was conducted. Kaiser–Meyer–Olkin was used to check for sampling adequacy. Varimax rotation was used because it maximizes high loadings and minimizes low loadings for each factor. The scale was five-point Likert scale. The accepted criterion for significant factor loadings was 0.30 in the present study. This is in line with the study of Hair et al. (1998, p: 112) which indicates that the acceptable factor loading is significant at 0.30 for the sample size higher than 350.

The results of EFA yielded six different factor dimensions. The results of the related statistical analysis are available on Table 11.2 which are Kaiser–Meyer–Olkin measure of sampling adequacy measured as 0.873 which is acceptable; Bartlett's Test of Sphericity is significant at $p < 0.05$ and, finally, total variances explained 46%.

Table 11.1 Descriptive results of the respondents ($N = 504$)

		Frequency	Percent
Age coded	Y GEN 1979–1996(20–38)	194	38.5
	GEN X 1965–1978 (39–52)	199	39.5
	Boomers GEN 1946–1964 (53–71)	105	20.8
	Silent GEN < 1945 (>72)	6	1.2
Gender	Male	233	46.2
	Female	271	53.8
Level of education	Primary	4	0.8
	Secondary	40	7.9
	University	316	62.7
	BA	118	23.4
	Ph.D.	26	5.2
Marital status	Single	165	32.7
	Married	339	67.3
Monthly income	<2000 TL	34	6.7
	2001 TL–5000 TL	208	41.3
	5001 TL–10,000 TL	158	31.3
	>10,000 TL	104	20.6
# of Children	With children	318	63.1
	No children	186	36.9

Table 11.2 Exploratory factor analysis

Pro environmental behavior	Kaiser–Meyer–Olkin measure of sampling adequacy	Bartlett's test of sphericity			Total variances explained
		Approx. Chi-square	d*f*	Sig.	
	0.873	1.134349	231	0.000	0.46

These six factors are explaining 46% of the variance. The six dimensions were classified with respect to the behavior of the consumers (see Table 11.3). The first factor dimension, namely COMPOSTING involves the recycling behaviors such as sending paper to recycle, extricating the rubbish, recycling used batteries. Cronbach's alpha for COMPOSTING behaviors is found to be 0.80 which indicates that the internal consistency of the scale is good.

The second factor dimension has nine separate items—avoid toxic detergents, buy organic, donate furniture to charity, donate to environmental organizations, use to eat food on season, wait until there's a full load for washing, use chargeable batteries, lights off in unused rooms, and reuse glass—which demonstrate 0.727 Cronbach's alpha score. This second dimension is named as AT HOME CONTRIBUTION since these ecological behaviors easy to perform at home.

Table 11.3 Factor dimensions for general ecological behavior (GEB) construct

Rotated factor matrix			Factor loadings	Cronbach's Alpha
Composting	GB 6	I sent paper to recycle	0.844	0.80
	GB 22	I extricate the rubbish	0.683	
	GB 20	I recycle used batteries	0.566	
At Home Contribution	GB 4	Avoid toxic detergents	0.566	0.73
	GB 3	Buy organic	0.482	
	GB 21	Donate furniture to environmental organizations	0.387	
	GB 16	Donate furniture to charity	0.348	
	GB 18	I used to eat food on season	0.346	
	GB 13	Wait until there's a full load for washing	0.343	
	GB 19	I use chargeable batteries	0.333	
	GB 15	Lights off in unused rooms	0.323	
	GB 5	Reuse glass	0.313	
Economy Consciousness	GB 14	More clothes instead of more heating	0.803	0.74
	GB 12	Keep heating low to save energy	0.651	
	GB 11	Reduce hot water temperature	0.47	
	GB 10	Reduce heat unused rooms	0.427	
Outside Contributions	GB 17	Prefer to use fabric bags during shopping	0.927	0.83
	GB 7	Use own bag when shopping	0.65	
Energy Saving	GB 1	High efficiency bulbs	0.82	0.75
	GB 2	Energy efficient appliances	0.611	
Water Waste Prevention	GB 8	Turn tap off when cleaning teeth	0.704	0.67
	GB 9	Turn off tap when washing dishes	0.616	
Extraction method: Maximum likelihood				
Rotation method: Varimax with Kaiser normalization				

The next and third factor dimension is named as ECONOMY CONSCIOUSNESS since it involves some behaviors will result with economic benefits such as wearing more clothes instead of more heating, keeping heating low to save energy, reducing heat in unused rooms, reducing hot-water temperature. The third factor has a Cronbach's alpha of 0.74.

The OUTSIDE CONTRIBUTION involves two actual green behaviors that can only perform outside. The consumers belonging to this dimension are performing a planned purchase behavior. In this sense, these consumers may account for the most

Table 11.4 First-order confirmatory factor analysis fit indices for GEB construct

CFA	CMIN	CMIN/d*f*	CFI	GFI	TLI	RMSEA
No MI	415.375	2.141	0.931	0.930	0.92	0.048

environmental conscious individuals. This dimension involves two green behaviors; preferring to use fabric bags during shopping and using their own bags when shopping. This fourth dimension has a Cronbach's alpha of 0.83 which is respectable.

Fifth factor dimension is ENERGY SAVING that involves two energy green purchase behaviors regarding purchase for energy-efficient products such as using high-efficiency bulbs and energy-efficient appliances. As a result, this dimension is named as "energy saving". The Cronbach's alpha for this factor group is 0.75 which sounds as a good fit.

The final and sixth factor dimension is named as WATER WASTE PREVENTION, and it consists of two separate variables about reducing water waste. The only Cronbach's Alpha value is 0.66.

The results of the EFA evaluated with a CFA by using AMOS programming. A first-order CFA was conducted to see whether the results of EFA support the unidimensionality of data. As a next step, a second-order CFA was applied to estimate the impact of main construct on its factors. The second-order CFA approves that the suggested construct in a survey loads into certain number of underlying sub-constructs or components (Awang 2012). For instance, in this study, the EFA resulted in six factors and each factor is measured using certain number of items.

The results for first-order CFA demonstrate a good fit without any modifications (Fig. 11.1). The $\times 2 = 2.141$; CFI, GFI and TLI result is >0.90 and RMSEA result is <0.60 which all are presenting good fit (Table 11.4).

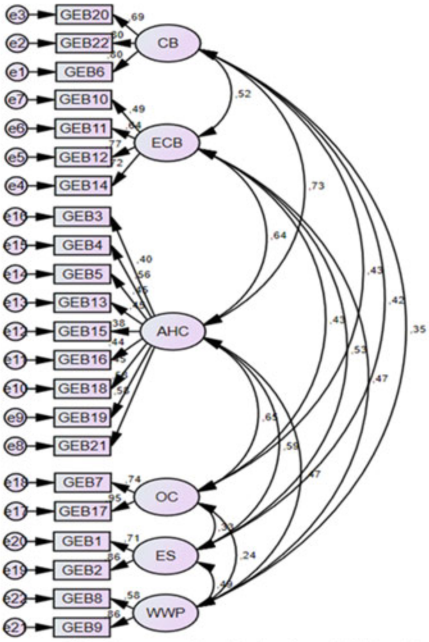
11.5.3 Hypothesis Testing

In order to test Hypothesis 2 (Gender has significant relationship with green consumer behavior); Hypothesis 3 (Marital status has significant relationship with green consumer behavior); Hypothesis 4 (Consumers with children are more likely to perform a green behavior); Hypothesis 5 (Level of income has significant relationship with green consumer behavior) , *t*-test analysis was carried out. The $p < 0.05$ for all thus they are all accepted (Table 11.5). The results indicate that women, families with children, and people who have higher income are more likely to perform ecological behavior. The results demonstrated that marital status has no significant influence over general ecological behavior. H2, H4, and H5 were accepted with respect to the results of *t*-test analysis. H3—marital status difference has significant influence over general ecological behavior—is rejected.

In order to test Hypothesis 1 and 6, (Age and education have significant relationship with green behavior), Anova analysis was conducted.

Table 11.5 Differences in ecological behavior with respect to socio-demographics gender

Hyp. #	Description		Variable	General ecological behavior	Outcome	Composting	At home contribution	Economy consciousness	Outside contribution	Energy Saving	Water Waste prevention
2	Gender difference has significant influence over general ecological behavior		T	3.45	Accepted	0.221	4.641	0.233	3.449	1.069	3.334
			P	0.01		0.168	0.000	0.836	0.001	0.285	0.001
			Female	3.54		3.64	3.83	3.57	3.57	4.31	4/10
		Mean	Male	3.72		3.51	3.6	3.55	3.49	4.23	4.16
3	Marital status difference has significant influence over general ecological behavior		T	−2.17	Rejected	−2.47	−2.095	−1.35	−0.270	−2.013	−0.541
			P	0.23		0.014	0.032	0.179	0.787	0.045	0.59
			Single	3.55		3.41	3.65	3.48	2.167	4.176	4.26
		Mean	Married	3.68		3.66	3.76	3.59	2.174	4.32	4.31
4	Consumers with children are more likely to behave ecologically		T	−2.55	Accepted	−2.137	−2.461	−1.954	0.168	−2.79	−1.110
			P	0.011		0.001	0.014	0.049	0.876	0.005	0.276
			Without	3.55		3.44	3.64	3.46	2.19	4.15	4.24
		Mean	With	3.69		3.66	3.77	3.62	2.17	4.34	4.32
5	Level of income significant influence over general ecological behavior		T	−2.13	Accepted	−2.189	−2.573	−0.424	−0.523	−2.103	0.452
			P	0.034		0.03	0.011	0.672	0.602	0.042	0.652
			<5.000 TL	3.46		3.23	3.51	3.46	2.161	3.91	4.38
		Mean	5.001TL	3.69		3.69	3.79	3.53	2.272	4.33	4.31



CB: Composting Behavior- ECB: Economy Conscious Behavior- AHT: At Home Contribution –
OC: Outside Contribution- ES: Energy Saving – WWP: Water Waste Prevention

Fig. 11.1 First-order confirmatory factor analysis for GEB construct

The results demonstrated that there is a significant effect of AGE on green behavior at $p < 0.05$ for the four generational cohorts. [F (3.500) = 21.685, p = 0.00] (Table 11.6). Post hoc comparisons using the Tukey HSD test indicated that the mean score for GEN Y was significantly lower than the mean of GEN X, Boomers Gen, and Silent Gen. The results also revealed that the mean score for Boomers was significantly lower than the mean of GEN X. In other words, Gen Y'ers perform less pro-environmental behavior when compared to the other generational cohorts and Boomers were also performing less pro-environmental behavior than Gen X. As a result, H1 is accepted—age has a significant influence over general ecological behaviors of consumers.

In order to test Hypothesis 6, education level has positive effect over general ecological behavior and to identify the direction and strength of the relation between education level and general ecological behavior, Anova analysis was conducted. The results indicated that the level of education has no significant effect over general ecological behavior at $p < 0.05$ ($p = 0.797$). So, Hypothesis 6 is rejected. The majority of the research related to education level argue that as the level of education increases, the consumers know more about green practices and place higher importance on green practices (Roberts 1996; Zimmer et al. 1994, Hu et al. 2010). On the other hand,

Table 11.6 Anova results to test age and education

Anova		Sum of squares	df	Mean square	F	Sig.
Age	GEB	18.484	3	6.161	21.685	0.000
	Composting behavior	46.091	3	16.364	14.673	0.000
	Economy cons. Beh	22.595	3	7.532	10.681	0.000
	At home cont.	12.888	3	4.296	15.260	0.000
	Outside cont.	54.986	3	18.329	16.833	0.000
	Energy savers	11.530	3	3.843	6.932	0.000
	Water waste reduction	2.717	3	0.906	1.381	0.248
Education	GEB	0.534	4	0.134	0.417	0.797

Sandahl and Robertson (1989) observed that there is no positive relation between literacy and green behavior.

11.6 Theoretical and Managerial Implications

The results of the study demonstrated that socio-demographic factors such as age, gender, having children and income level have significant influence over ecological behavior, whereas the level of education and marital status were found to be an irrelevant factor over explaining general ecological behavior of consumers. The study reveals that women, individuals with children, and people with higher income level are more likely to perform an ecological behavior. In terms of “composting behavior,” it was proved that married people, individuals with children and people with higher income are performing more ecological behaviors. Women, married people, families with children, and people with higher income level are more likely to contribute to ecological protection at their home. Individuals with children are tended to perform an ecological behavior because of economic reasons as well.

Women are more likely to perform an outside contribution for the protection of the environment such as preferring to use fabric bags during shopping and also, they are more likely to prevent water waste. Individuals with children, married people, and people with higher income are prone to purchase green products to decrease energy consumption. This may be resulted from individuals’ worries to decrease the energy costs at their homes or offices. Green companies and companies would like to go green should target women and families with children. Women and families with children are obviously more green conscious in their daily life. The companies going green should set their communication messages and marketing strategies to capture women and families at most. Women should be targeted and also women can be chosen as influencers to attract men, youngsters, and families.

Age factor was analyzed within each factor dimension. Post hoc comparisons using the Tukey HSD test indicated composting behavior, contribution at home, economic consciousness outside contribution, and energy-saving behavior are significantly related with the age of the consumers since all dimensions have p value <0.005. Water-waste prevention behavior found to be insignificantly related with age of the consumers. One of the most interesting findings is that Gen Y'ers are less likely to perform a green behavior than any other generations. They may have found it difficult to perform these behaviors, may not be aware of their actual contribution or simply find them as expensive solutions. It seems that although the GenY'ers are aware of environmental problems, they may be skeptical about their personal effectiveness. Gen Y'ers are significantly

(1) performing less composting behavior
(2) making less contribution at home and
(3) outside
(4) acting economic consciously and finally
(5) performing less energy-saving behavior than Boomers and X Generation. Whereas, Gen X members are performing significantly more green behavior than boomers.

The results of this study revealed that Gen Y'ers perform less ecological behavior when compared to the other generational cohorts and Boomers were also performing less pro-environmental behavior than Gen X. Due to Martin and Tulgan (2006), Gen Y'ers are predicted as the only group with highest motive in behaving environmentally, however, the findings of this study that is specifically conducted in Turkey is not in line with their findings. This result should be tested through cross-cultural studies whether it may be a country- or culture-specific result.

Among the socio-demographics, education and marital status found to be as irrelevant factors that have significant influence of general ecological behaviors of consumers. The former finding is not in line with the previous findings within the literature. Even though there are contradictions, the prevalent finding is that literacy level is significantly and positively associated with environmental behavior (Webster 1975; Chan 1999). On the other hand, marital status is not a commonly investigated demographic factor within the literature associated with ecologic behavior.

Previous literature has proved that some environmental behaviors are easier to carry out when compared with the others. The findings of this study also proved that the consumers are more likely to perform an ecological behavior when it is easier to be performed by taking simple measures at their homes such as buying organic, donating to a charity or an environmental organization, eat food on season, waiting until there is full load for washing, using chargeable batteries, reusing glass jars and turning the lights off in unused rooms. So, it would be more reasonable to convince the consumers to be greener by explaining how easy to perform that certain task.

Most of the studies within the literature tried to profile the green consumers due to their socio-demographics; on the other hand, they commonly considered demographic factors used within the previous literature are age, gender, education, and income. This study has taken into consideration two different factors for profiling the ecological consumers, namely marital status and parenting which are imperative criteria since ecological education of the future generation starts at home. The results showed that women have a crucial role in the protection of the environment since they are influencing the behavior of their peer and children in performing a general ecological behavior. The children that are conscious about environmental protection would have more intention to contribute to the protection of the environment and for developing a green purchase behavior. The literature supports this view with numerous empirical results that as awareness and environmentally consciousness increase, intention to behave ecologically increases as well (Cherian and Jacob 2012; Banerjee and Solomon 2003).

11.7 Discussion and Conclusion

The findings supported the hypothesis at a large extent. Among the socio-demographics such as age, gender, having child(ren) and income level are significantly associated with general ecological behavior and may indicate that they have also significant influence over green purchase behavior. Marital status and education were found to be insignificant predictors for general ecological behavior of consumers. The findings also proved that the consumers are more likely to perform an ecological behavior when it is easier to be performed. However, the study is not without limitations. The questionnaire was distributed online by snowball technique. These criteria bring a well-educated group of people together, so the results should be tested with low-literacy level of respondents. The demographics of the respondents are not representing an average Turkish consumer, and another issue is that the concentration of the survey is limited with the consumers in Istanbul. These are creating a generalizability problem. The results of demographic factors can be country or culture specific, so the results should be tested at certain intervals and in several different markets.

The results of this study would help the marketing managers in especially defining their target groups and designing their marketing messages. Women individuals with children probably mothers in this sense should be targeted while building more effective strategies for green companies since they are more likely to bring about a change to their behaviors. The results of this study can also be used for further research to address whether performing green behavior will necessarily meaning that it will end with an actual green purchase behavior or create a positive intention to patronize a greener product.

Environmental destruction is one of the biggest issues should be reduced for the well-being of the world as a whole since human beings are continuously diminishing the world's resources. Although the companies are becoming greener because it is counted as a source of competitive advantage or the consumers are becoming more and more aware regarding negative impacts of their consumption habits, the pace of becoming green is not as fast as it should be. The results indicated that other than age, gender, and income, having child(ren) is also a relevant indicator in defining a typical green consumer. On the other hand, this study proved the importance of women in the protection of the environment once more. It is the women who are influencing the behavior of their peer and children in performing a general ecological behavior. In other words, the results showed that women's tenderness will save the world.

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Chapter 12
Sustainability Practices of Higher Education Institutions—An Analysis from a Developing Country

Serap Atakan and Tutku Eker İşcioğlu

Abstract Sustainability has become an essential concern in higher education at a global level. Numerous universities started to incorporate this concept into their principles and practices. Sustainability practices of higher education institutions encompass environmental, social and economic aspects. Universities integrate sustainable development through institutional, educational, research, outreach and partnership, social and campus operations. This study examines the sustainability practices undertaken by 32 public and foundation universities in a developing country, Turkey. The sample is formed on the basis of the membership to and/or partnership with eight global sustainability assessing organizations. The content analysis of the universities' web pages and published reports reveals that educational, research, outreach and partnership, and social sustainability dimensions have higher importance, whereas institutional and campus-related sustainability practices receive less attention. The findings of this study also indicate that the various sustainability scores of the universities differ in terms of their ownership type, age, and size.

Keywords Sustainability · Higher education · Developing country · Turkey · Content analysis

12.1 Introduction

Sustainability practices of higher education institutions are a concept with growing importance. Higher education institutions have a responsibility to increase the awareness, knowledge, skills, and values needed to create a just and sustainable future. There are various ways universities can instill sustainability practices. Some univer-

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sities follow sustainability principles defined by the mission, vision, goals, and strategies which are integrated into teaching, learning, and research. In terms of education practices, a university can integrate sustainability issues into its curriculum either as compulsory sustainability courses, as elective courses or as a content in already existing courses to have sustainably literate students and graduates (Shriberg 2002). Beside courses, there is also a need for conducting sustainability-related researches (Calder and Dautremont-Smith 2009).

Many universities engage in sustainable development projects to reach their community by interconnecting the university and its students to the local as well as regional, national, and international community. A university can also integrate environmental sustainability into its practices such as the sustainable campus operations which are oriented toward greening the campus through recycling and waste minimization, energy and water conservation, green procurement, transportation initiatives, green buildings, and landscaping.

The importance of sustainable education is increasing in Turkey, a developing country. More and more universities started to incorporate various sustainability practices. However, research on the Turkish universities' steps toward sustainability appears to be limited as no prior study that encompasses all of the sustainability practicing universities has been found. This study attempts to fill this gap by selecting 32 universities on the basis of their membership to or partnership with eight sustainability assessing organizations. A content analysis reveals that universities in Turkey apply sustainability practices mostly in terms of educational, research, outreach and partnership, and social sustainability dimensions. Yet, institutional and campus-related sustainability practices receive less attention. The study also provides findings related to the mean differences of universities in terms of their ownership type, age, and size. Some researchers argue that sustainability is a holistic approach of economic, environmental, and social aspects, and all three aspects need to be considered when sustainability in higher education is evaluated (Gończ et al. 2005; Lukman et al. 2010). However, in this research economic sustainability is not taken into account due to nonprofit orientation of public and foundation universities in Turkey.

12.2 Literature Review

12.2.1 Sustainability in Higher Education

International Institute for Sustainable Development (1992) defines sustainability as adopting business strategies and activities to meet the needs of the enterprise and its stakeholders today while protecting, sustaining, and enhancing the human and natural resources that will be needed in the future. Sustainability has become a central issue in higher education at a global scale (Lee et al. 2013; Yuan and Zou 2013). Higher education institutions that are more and more promoting policies for sustainability have been recognized as critical to the shift toward sustainable development (Shephard 2008; Waas et al. 2010). Numerous universities started to embrace the value of sustainability and found ways to incorporate this concept into their principles and actions. As stated by Cortese, "Universities bear profound responsibilities for increasing awareness, knowledge, technology, and tools to create a sustainable future. Universities have all the expertise needed to develop an intellectual and conceptual framework for achieving this goal. They play a strong role in education, research, policy development, information exchange and community outreaching to help create an equitable and sustainable future" (1992, p. 1110).

Although sustainability is a growing imperative in higher education, it is sometimes narrowly defined as the long-term protection of the natural environment. Lukman and Glavic (2007) assert that sustainable universities need to cooperate with their stakeholders to disseminate knowledge and best practices in regard to safeguarding the environment as well as preserving social cohesion and promoting economic prosperity. Lukman et al. (2010) also state that sustainability is not solely environmental responsibility, but a holistic approach of economic, environmental, and social aspects. All three aspects need to be evaluated when sustainability in higher education is evaluated. Likewise, according to Gończ et al. (2005) sustainability practices in higher education encompasses three major dimensions which are economic, social, and environmental. Education for sustainable development deals with integrating the protection of the environment, effective use of natural resources, maintenance of the ecosystem, along with a well-functioning society, and a sound economy.

Sustainable development strategies are implemented as part of strategies to help societies integrate people, planet, and profits on their development. Calder and Dautremont-Smith (2009) define this as the triple bottom line of environmental health, economic viability, and social well-being. In line with their strategic management process, higher education institutions are penetrating the sustainability concept to their institutional framework via vision, mission, and administrative operations. The vision and mission are statements where the message of commitment to sustainability is stated. Vision describes what the university wants to be in broader terms. Mission identifies the organizational activities and functions in line with the vision.

In the last years, there has been a number of universities engaging in sustainable development and integrating education for sustainable development through curricula, research, outreach to community, collaboration with other universities, and campus operations such as energy usage, carbon footprint reduction, and recycling. Different universities undertake sustainability strategies at different levels. For instance, while some universities offer undergraduate or graduate courses on sustainability issues, others prefer to integrate sustainability-related topics into their existing curricula. Similarly, while some universities engage in environmental practices such as participating in recycling campaigns or providing sustainable transportation to their students and staff (i.e., electrical bicycles, shuttle buses), others engage in much wider "greening the campus" activities by using green energy.

In order to offer a structured framework for achieving sustainable university system, Velazquez et al. (2006) proposed a model of the sustainable university. This model is based on empirical data collected from about 80 higher education institutions around the world and consists of four phases of sustainability practices of universities. The first phase aims to develop a sustainability vision for universities through a master plan and guidelines in order to conceptualize sustainability. At the second phase, the mission is developed and sustainability is instilled as one of the core values of the university. The third phase reflects the organizational structure of forming a university-wide sustainability committee in charge of creating campus-wide policies, targets, and objectives. The committee is formed of all key players of the university such as professors, students, administrators, and other staff members to coordinate different sustainability initiatives at their campus. At the fourth phase, educational, operational, and sustainability on campus strategies are set to foster the concept at the higher education institution. Educational strategies encompass formal, non-formal, on or off campus undergraduate and/or graduate courses, and certificate programs. Researches on environmental, social, and economical issues are conducted at this phase. The community outreach and partnership strategies with other educational institutions, governmental agencies, private sector and non-governmental organizations are mostly practiced during this phase. The university sustainability practices for greening the campus and other environmental practices such as energy efficiency, water efficiency, waste management, transportation and commuting, recycling, environmental procurement, and green building are presented among the strategies for fostering sustainability at the university. According to the authors, occupational health and safety, ergonomics, access for handicapped people, equity, and reducing poverty are included under the sustainability on campus strategies. The sustainability audits monitor, analyze, and control the performance of sustainability initiatives not only in financial terms but also in terms of their social and environmental performance. The universities thus need to meet the environmental, social, and economic requirements of many different stakeholders in their networks. The authors assert that implementing a sustainable university model is a process of continual improvement in environmental, social, and economic performance that should be made through incremental steps (Velazquez et al. 2006).

Higher education institutions have an impact on the local, regional, and national environment with their students, faculty, staff, and graduates. As stated by Cortese (2003), universities prepare most of their students to become professionals who develop, lead, manage, teach, work-in, and influence society's institutions. Universities are unique at playing an important role in transmitting knowledge, in creating an ethical and responsible society for ensuring a high quality of life for future generations and the environment. Higher education institutions aspire to instill in graduates such qualities as good citizenship, moral integrity, leadership, critical thinking, and care for the environment.

As stated by Lukman and Glavic (2007), the concept of sustainable university comprises three dimensions of sustainable development which are environmental protection, economic performance, and social cohesion. The sustainable university is thus expected to integrate sustainable development principles into everyday activities, including research and education as well as creating sustainability awareness, values, and concern through mission and generate local, regional and international cooperation.

The literature search reveals that there are various studies conducted on sustainability practices undertaken by universities around the world. The researchers studied Spanish (Seto-Pamies et al. 2011; Leon-Fernandez and Dominguez-Vilches 2015; Jorge et al. 2016), Italian (Vagnoni and Cavicchi 2015), and American universities (Wu et al. 2010; White 2014; Hart et al. 2015). These studies showed that there is an increase in the extent to which academic programs and centers are focusing on sustainability issue and a growing percentage of the studied universities include sustainability into their curriculum and research projects. Moon and Orlitzky (2011) examined the extent to which business schools in North America and Europe integrated corporate social responsibility and sustainability education into their program and revealed an increasing commitment in this area. The authors also tested the effect of program size (measured as total student enrollment in the program) and of the distinction between public and private ownership (determined whether the university is funded primarily by governments or established as a public institution as opposed to owned by private founders or investors). The results revealed that there is a negligible direct association with university size and the integration of corporate social responsibility and sustainability education. The hypothesis that public schools would offer more sustainability coursework is also not supported. Earlier Velazquez et al. (2006) also collected data regarding the size and the type of the surveyed universities only to describe the higher education institutions; the authors did not conduct further analysis to test the effect of these variables on the sustainability policy.

Based on the reviewed literature, the researchers encountered one academic article related to the sustainability practices of Turkish universities. The study of Ugbaja and Bakoglu (2016) aims to explore and describe how universities undertake sustainability in a developing country. The authors observed the integration of sustainability practices in 11 Turkish universities ranked by the Green Metric Sustainable University assessment and ranking index by evaluating the curriculum, operations, research, and engagement activities of these universities. The results revealed that these universities need to increase their operational eco-efficiency and sustainable education aspects.

12.2.2 Higher Education System in Turkey

In Turkey, there are two types of higher education institutions: public and foundation. The design, direction, and administration of essential activities of these institutions are managed by the Council for Higher Education (CHE). Initially, public universities were the only players; however, after its establishment in 1982, CHE provided the basis for nonprofit institutions to establish foundation universities. The first foundation university was founded in 1984, and since then their number reached 67 (YÖK, n.d). Public universities have also increased in number remarkably over the years. While there were only eight public universities prior to 1970, today there are 112 public universities (YÖK, n.d).

Both universities aim to play an important role in the scientific, social, and cultural development of Turkey through teaching, conducting research, and educating the leaders of the future. Yet they do it through different mechanisms as they have different governance systems. Boards of trustees select the presidents of foundation universities, while the country's president appoints the leaders of public universities. Foundation universities are free from slow and sometimes restrictive state bureaucracy and generally can offer faculty higher salaries than the public system (Lynch 2015). The budgets of public universities are mostly lower than that of foundation universities. This situation allows foundation universities to offer better facilities, state-of-the-art equipment, and better teaching materials to their students (Atakan and Eker 2007). In addition, foundation universities offer a lower student–teacher ratio to their students (Tansel and Gungor 2002).

In Turkey, the universities can be financed with either by the government or by the foundations. Public universities are financed and governed by the government, although they also charge "contribution fee" from the students. On the other hand, foundation universities raise financial resources from the tuitions paid by the students, donations from industries, and foundations. Even though both types of universities generate revenues, according to the 1982 Constitution (Constitution of Republic of Turkey 1982) higher education institutions in Turkey cannot be profit-oriented, and their financial situation is under the control of CHE. That is the reason why it is not possible to assess Turkish universities' economic sustainability. This dimension is not also included in the sustainable university model proposed by Velazquez et al. (2006) and thus is not measured in the present study either.

12.3 Methodology

This study aims to explore and describe the extent to which universities undertake sustainability in a developing country, namely Turkey. Turkish universities' sustainability practices are described according to their membership to or partnership with higher education institutions' sustainability assessing organizations listed below:

- International Sustainability Campus Network (ISCN) is a nonprofit association of globally leading colleges and universities representing over 30 countries and working together to integrate sustainability into campus operations, research, and teaching (ISCN, n.d.). Three universities from Turkey have a partnership with ISCN.
- Sustainability Tracking, Assessment & Rating System (STARS) is a transparent, self-reporting framework for colleges and universities to measure their sustainability performance (STARS, n.d.). It provides a framework for understanding sustainability in higher education and builds a diverse campus sustainability community. It includes performance indicators and criteria organized into Academics, Engagement, Operations, and Planning and Administration categories. STARS has two partners from Turkey.

- United Nations Global Compact (UNGC) supports institutions that operate responsibly by aligning their strategies and operations with Ten Principles on human rights, labor, environment, and anti-corruption and takes strategic actions to advance these societal goals (UNGC, n.d.). There are six member universities from Turkey.
- Principles for Responsible Management Education (PRME) is an initiative between the United Nations and business schools. It aims to transform management education, research, and leadership globally by providing the Principles for Responsible Management Education framework, developing learning communities and promoting awareness about the United Nations' Sustainable Development Goals (PRME, n.d.). The mission of PRME is to change business and management education and research globally by promoting consciousness about sustainable development and forming responsible business leaders of tomorrow. Currently, nine universities are members of the PRME initiative.
- Green Metric (GM) provides solutions to universities in order to contribute to the academic discourse on sustainability in education and the greening of campuses; it encourages university-led social change with regard to sustainability goals (GM, n.d.). Universities that participate to GM provide data on a number of criteria that can give a picture of their commitment to the greening of their campus and putting in place environmentally friendly policies that support sustainability. The energy use, transport, water use, recycling, waste treatment, and green management policies of the universities are reported. Seventeen Turkish universities have a partnership with GM.
- Higher Education for Sustainable Development (HESD) is a global portal developed by the International Association of Universities, providing access to actions and initiatives to promote sustainability (HESD, n.d.). HESD plays a key role in achieving the 2030 Development Agenda and related UN Sustainable Development Goals. Only one university is a partner of HESD.
- Some Turkish universities are certified by environmental sustainability assessment institutions, such as Building Research Establishment Environmental Assessment Method (BREEAM) and Leadership in Energy and Environmental Design (LEED). BREEAM (n.d.) is a sustainability assessment method for master planning projects, infrastructure and buildings. Similarly, LEED (n.d.) is a third-party verification for green buildings. Two BREEAM-certified and six LEED-certified Turkish universities are included in the sample of the study.

In total, there are 32 universities (18 public and 14 foundations) in the sample. Some universities have more than one partnership and/or membership to the above-presented initiatives. The partnerships and memberships of the sampled Turkish universities are presented in Table 12.1.

The sustainability practices of the 32 universities are examined with the data collected from the web sites and published reports of these judgmentally selected universities. A coding manual is prepared, and content analysis is performed with one-rater who acted as the primary coder. The other researcher spot-checked the coding of randomly selected universities to make sure reliability is achieved. The coding

Table 12.1 List of universities with their partnerships and memberships

University Name	ISCN	STARS	PRME	GM	HESD	UNGC	BREEAM	LEED	Total
Acibadem University								√	1
Akdeniz University								√	1
Ankara				√					1
Bartin				√					1
Bilkent				√					1
Bogazici University	√			√				√	3
Bulent Ecevit				√					1
Celal Bayar				√					1
Cag						√			1
Duzce				√					1
Ege				√					1
Gebze Technical			√						1
Hitit				√					1
Inonu				√					1
Istanbul Bilgi			√			√			2
Istanbul Gelisim			√						1
Istanbul Technical								√	1
Izmir Ekonomi				√	√	√			3
Kadir Has University						√			1
Karabuk University				√					1
Kilis 7 Aralık				√					1
Koc	√		√			√			3
Marmara University		√							1
Ozyegin University	√	√		√				√	4
Piri Reis University							√		1

(continued)

Table 12.1 (continued)

University Name	ISCN	STARS	PRME	GM	HESD	UNGC	BREEAM	LEED	Total
Sabanci			√	√			√	√	4
Sakarya			√						1
Selcuk				√					1
TOBB				√					1
Yalova			√						1
Yasar			√			√			2
Yeditepe University			√						1

manual is developed by the researchers based on the reviewed literature, mostly referring to the sustainable university model suggested by Velazquez et al. (2006). In the coding manual, presented in Table 12.2., the web sites of the universities are examined with regard to the following six categories: (1) institutional sustainability including the existence of sustainability mention in the vision, mission, sustainability policies, targets, and goals, (2) educational sustainability practices consisting of the offering of undergraduate and graduate academic programs, certificate programs, courses, conferences, seminars, and workshops related to sustainability, (3) research on sustainability identifying the research centers, institutes, laboratories, and publications on sustainability conducted by the universities' faculty members, (4) outreach and partnership identifying universities' partnership with governmental agencies, NGO's and community involvement, existence of student-led environmental activities, and student clubs interested in sustainability, (5) sustainability on campus describing the energy and water efficiency, waste management, transportation, green building, and green campus practices related to environmental sustainability, and (6) social sustainability including occupational health and safety, gender equality, access for handicapped people, and fighting poverty. In the sustainable university model of Velazquez et al. (2006), social sustainability variables were included under sustainability on campus dimension. However, in this research the responsibility toward the employees and society is classified as a different dimension coded as the social dimension.

As referred to the literature review, the sustainability practices of higher education institutions consist of environmental, social and economic dimensions. However, in this study the environmental and social dimensions are taken into account, and the economic dimension is not evaluated because of the nonprofit orientation of the Turkish public and foundation universities.

In total, there are 34 items that aim to assess the level of the sustainability practices of universities. Considering the yes/no answers given to the items, a sustainability score of each of the six categories of sustainability practices and a total sustainability score are calculated for each university. The sustainability scores for each category, namely institutional, educational, research, outreach and partnership, campus, and

Table 12.2 Coding manual

Categories	Codes	Yes	No	Frequency
Institutional sustainability	Sustainability, environment, social responsibility, and/or ethics in mission			
	Sustainability, environment, social responsibility, and/or ethics in vision			
	Sustainability policy, target, and goals			
	Sustainability mention in homepage			
	University sustainability web site			
	Sustainability office			
Educational sustainability	Undergraduate degree programs			
	Graduate degree programs			
	Certificate programs			
	Undergraduate courses			
	Graduate courses			
	Elective courses			
	Compulsory courses			
	Conferences, workshops, seminars			
Research on sustainability	Publications			
	Research centers			
	Institutes, laboratories or similar initiatives in sustainability, environment, social responsibility, and/or ethics			
Outreach & partnership	Partnership			
	Membership			
	NGOs and community involvement			
	Student environmental activities (student clubs)			
Sustainability on campus	Energy efficiency: solar panels, usage of sea power			
	Water efficiency			
	Transportation and commuting (shuttle, bicycle road, and parking)			
	Waste management/recycling			
	Integrated pest management			
	Natural heritage			

(continued)

Table 12.2 (continued)

Categories	Codes	Yes	No	Frequency
	Ecology/ecosystem			
	Responsible consumption (efficient use of paper and plastic)			
	Green building/green campus			
Social sustainability	Occupational health and safety			
	Gender equality			
	Access for handicapped people			
	Poverty fighting			

social sustainability are 6, 8, 3, 4, 9, and 4, respectively. Thus, the total sustainability score of a university can be at most 34. In addition to yes/no answers, especially for items listed in educational sustainability, research on sustainability, and outreach and partnership sustainability dimensions, frequencies are also calculated.

Other than calculating the sustainability scores and ranking the universities accordingly, data is analyzed by using the Mann–Whitney U test to compare the sustainability scores in terms of university ownership type (public vs. foundation), university age (less than 20 years of age and 21 years and older), and university size (less than 20,000 students and 20,001 students and more). This test is a nonparametric test that compares two sample means that come from the same population. The Mann–Whitney U test is used when the data is ordinal or when the assumptions of the t-test are not met (Bajpai 2010). In this study, as the university age and university size are ordinal variables with two categories and the normality assumption of the t-test is not met, the use of this test is justified.

12.4 Findings

The ranking of the universities according to the sustainability practices and the scores for each category are presented in Table 12.3. Universities that have the same total sustainability score are reranked considering the frequencies of their sustainability centers, undergraduate and graduate programs, and partnerships and memberships. The minimum and the maximum total scores range from 8 to 29, meaning that in the sample there is no university having a full total sustainability score of 34.

The examination of sustainability categories reveals that in each category, different universities have the highest sustainability score independent of their total sustainability scores. In terms of institutional sustainability, Yasar and Bartin Universities have the highest scores, followed by Bogazici, Ozyegin, and Kadir Has Universities. In educational sustainability, there are ten universities having the highest score of 8, and eleven universities follow them with a score of 7. This result shows that education sustainability is among the most important sustainability aspects of the universities

Table 12.3 Ranking of the universities according to the sustainability scores

ID	University	University type	ISS	ESS	RSS	OPSS	CSS	SSS	Total sustainability Score
1	Bogazici University	Public	4	7	3	4	7	4	29
2	Koc University	Foundation	3	6	3	4	7	4	27
3	Istanbul Bilgi University	Foundation	3	8	2	3	6	3	25
4	Sabanci University	Foundation	3	7	2	4	6	3	25
5	Ozyegin University	Foundation	4	6	2	4	6	3	25
6	Kadir Has University	Foundation	4	8	3	3	3	4	25
7	Bulent Ecevit University	Public	2	7	3	3	6	3	24
8	Bartin University	Public	5	8	2	2	4	2	23
9	Ankara University	Public	2	8	3	2	4	4	23
10	Sakarya University	Public	2	8	2	2	5	4	23
11	Istanbul Technical University	Public	2	8	3	1	7	2	23
12	Gebze Teknik University	Public	2	8	3	3	3	3	22
13	Ege University	Public	3	6	3	3	3	3	21
14	Duzce University	Public	3	8	2	2	2	3	20
15	Yalova University	Public	1	7	3	3	4	2	20
16	Yasar University	Foundation	6	7	1	2	2	2	20
17	Izmir Ekonomi University	Foundation	1	7	2	3	3	3	19
18	Karabuk University	Public	2	7	2	2	3	3	19
19	Piri Reis University	Foundation	2	4	1	2	7	3	19

(continued)

Table 12.3 (continued)

ID	University	University type	ISS	ESS	RSS	OPSS	CSS	SSS	Total sustainability Score
20	Selcuk University	Public	2	8	2	2	2	2	18
21	Akdeniz University	Public	1	7	2	2	4	2	18
22	Bilkent University	Foundation	2	7	1	2	4	2	18
23	Gelisim University	Foundation	2	7	2	3	1	3	18
24	Celal Bayar University	Public	2	7	2	2	2	2	17
25	Marmara University	Public	2	8	2	1	2	2	17
26	Hitit University	Public	2	2	2	2	6	2	16
27	İnonu University	Public	1	4	2	2	2	2	13
28	Yeditepe University	Foundation	2	5	1	2	2	1	13
29	Kilis 7 Aralık University	Public	1	4	1	3	2	1	12
30	Cag University	Foundation	2	2	2	3	1	2	12
31	TOBB University	Foundation	0	4	2	1	1	1	9
32	Acibadem University	Foundation	0	0	0	2	4	2	8

ISS Institutional Sustainability Score, *ESS* Educational Sustainability Score, *RS* Research on Sustainability score, *OPSS* Outreach & Partnership Sustainability score, *CSS* Campus sustainability score, *SSS* Social sustainability Score

in the sample. Nine universities have the highest score in terms of research on sustainability. Considering outreach and partnership sustainability dimension, only four universities out of 32 have the highest score of this category, and these universities which are ranked in the first five are Bogazici, Koc, Sabanci and Ozyegin Universities. Referring back to Table 12.1, these universities have the highest number of partnership or membership with the sustainability assessing organization. More specifically, Sabanci and Ozyegin Universities have four, and Koc and Bogazici Universities have three partnership or membership. In terms of sustainability on campus, four universities have the highest score, and these are Bogazici, Koc, Istanbul Technical, and

Piri Reis Universities. Finally, social sustainability score is the highest in Bogazici, Koc, Kadir Has, Ankara, and Sakarya Universities.

When the ranking of the total sustainability scores are examined, among the top five which are Bogazici, Koc, Istanbul Bilgi, Sabanci, and Ozyegin Universities, there is one public and four foundation universities. These are also among the most preferred universities in Turkey, and three of them are listed in the first 500 universities according to Times Higher Education (2016) world ranking. To be able to be ranked in this ranking, these universities have to meet global standards, and their engagement in sustainability practices can differentiate them from their competitors.

In order to explain why these universities are ranked in the top five, it is better to examine their sustainability practices in detail. First of all, the sustainability scores of these universities are the highest especially in education, research, outreach and partnership, campus, and social sustainability. Considering that each partnership and membership may require fulfilling different aspects of sustainability practices, there is no doubt that these universities have developed a broader orientation toward it, and thus, they are among the most sustainable universities of Turkey. Besides, other than Istanbul Bilgi University, remaining three universities are foundation universities established by the biggest conglomerates of Turkey and the fact that the management is already applying sustainability practices in the business environment might have facilitated the inclusion of sustainability at their universities as well.

In addition to the top five sustainable universities, it is also necessary to examine the least five universities which are Yeditepe, Kilis 7 Aralik, Cag, TOBB, and Acibadem Universities, and again, one public, four foundation. According to Table 12.3., these universities are especially weak in terms of institutional, campus and social sustainability practices. The last one, Acibadem University is a special case; it is a university specializing on health care only. This university has received zero score from institutional, educational, and research on sustainability because it does not have any faculty related to social sciences, where sustainability is expected to be studied at most.

In general, the sustainability mean scores of the sampled universities are weak for institutional sustainability and sustainability on campus practices. As it can be seen from Table 12.4, while institutional sustainability mean score is 2.28 out of 6, sustainability on campus score is 3.78 out of 9. On the other hand, compared to other categories the universities perform very well in educational sustainability as its mean score is 6.25 out of 8, followed by research on sustainability mean score 2.06 over 3, outreach and partnership sustainability score 2.47 over 4, and social sustainability score 2.56 out of 4. Bearing in mind that total sustainability score can be at most 34, the mean sustainability score of the universities is 19.31 indicating that more than half of the sustainability practices are implemented by the examined universities in Turkey.

To develop a better understanding of how the Turkish universities differ in terms of their sustainability practices, mean comparisons are made on the basis of university ownership type, university age, and university size. Starting with university type, Table 12.5 reveals that there are two statistically significant differences among public and foundation universities in terms of educational sustainability and research

Table 12.4 Descriptives of sustainability scores

	N	Minimum	Maximum	Mean	Std. Deviation
Institutional sustainability score	32	0	6	2.28	1.301
Educational sustainability score	32	0	8	6.25	2.079
Research on sustainability score	32	0	3	2.06	0.759
Outreach and partnership sustainability score	32	1	4	2.47	0.842
Campus sustainability score	32	1	7	3.78	1.963
Social sustainability score	32	1	4	2.56	0.878
Total sustainability score	32	8	29	19.31	5.169

on sustainability scores. Educational sustainability mean score of the public universities is higher (6.78) than that of foundation ones (5.57) and this difference is significant at $p < 0.1$ level. This result might be due to the fact that with an aim to generate more income by attracting and enrolling more students, foundation universities might be more inclined to open new, popular programs related to sustainability which may be more popular and promise more job opportunities with high salaries, such as Energy Engineering, Energy Trade and Management, and Energy Systems Engineering. On the other hand, in addition to these programs, public universities have other undergraduate or graduate programs related to sustainability and thus offer more compulsory or elective courses, no matter how much these programs are demanded by the students. For instance, programs such as Environmental Engineering, Environmental Design and Architecture, Forest Engineering, and Sustainable Agriculture and Food Systems do not have high job opportunities and therefore may not be highly demanded. As a result, these programs are offered mostly by the public universities and it is not surprising to see that public universities have higher educational sustainability mean score. Similarly, for research on sustainability score, public universities have a higher mean (2.33) compared to that of foundation ones (1.71), and this difference is significant at $p < 0.05$ level. When there are more programs related to sustainability, it is expected that more research on sustainability will be conducted by the higher number of faculty members teaching in these programs.

Age of the universities is calculated taking 20 years of age as a cutoff point, with an attempt to create two sample groups with comparable sizes. Table 12.6 shows that there is a statistically significant difference only in educational sustainability score at $p < 0.1$ level. As the findings indicate older universities have a higher mean score (7.00) than that of the younger, newly established ones (5.50). It is not easy to open undergraduate or graduate programs, because a university first needs to apply to Council of Higher Education (CHE), provide enough support for the necessity

Table 12.5 Sustainability mean comparisons regarding university ownership type

	University type	N	Mean	Std. Deviation	Significance
Institutional sustainability score	Public	18	2.17	1.043	0.536
	Foundation	14	2.43	1.604	
Educational sustainability score	Public	18	6.78	1.734	0.065*
	Foundation	14	5.57	2.344	
Research on sustainability score	Public	18	2.33	0.594	0.045**
	Foundation	14	1.71	0.825	
Outreach and partnership sustainability score	Public	18	2.28	0.752	0.193
	Foundation	14	2.71	0.914	
Campus sustainability score	Public	18	3.78	1.768	0.896
	Foundation	14	3.79	2.259	
Social sustainability score	Public	18	2.56	0.856	0.866
	Foundation	14	2.57	0.938	
Total sustainability score	Public	18	20.12	4.167	0.679
	Foundation	14	18.17	6.351	

*$p < 0.1$
**$p < 0.05$

of opening the program, and comply with the requirements of CHE in terms of the sufficiency of faculty members and physical infrastructure related to that program. Therefore, it is understandable that older universities have more sustainability-related programs and courses compared to younger ones as it takes time to open and settle programs at the undergraduate or graduate level.

Finally, the size of the university, which is operationalized by considering the number of students of each university obtained from the web site of CHE, is taken into account. A cutoff point of 20,000 students is utilized to have comparable group sizes and accordingly two groups are created: smaller universities whose number of students is 20,000 and below and larger universities which have the number of students above 20,001. As observed from Table 12.7, statistically significant differences exist again in educational sustainability scores and for the first time in outreach and partnership sustainability scores. These findings reveal that the educational sustainability mean score of the larger universities (7.07) is higher than the mean score of smaller universities (5.53), and this difference is significant at $p < 0.05$ level. According to this finding, one would expect that the larger the university size is, the more sustainability-related undergraduate, graduate programs, and courses may be offered to their students. However, an opposite situation might also be pertinent, as this could be due to the fact that the more undergraduate or graduate programs there are, the more students a university has. Regarding the outreach and partnership sustainability score, the findings indicate that smaller sized universities have a higher mean score (2.76) than the mean score of larger ones (2.13) at $p < 0.1$ level. This difference might result from the fact that smaller universities might set a strategy to engage in

Table 12.6 Sustainability mean comparisons regarding university age

	Age	N	Mean	Std. Deviation	Significance
Institutional sustainability score	≤20	16	2.38	1.708	1.000
	>20	16	2.19	0.750	
Educational sustainability score	≤20	16	5.50	2.503	0.080*
	>20	16	7.00	1.211	
Research on sustainability score	≤20	16	1.81	0.750	0.094
	>20	16	2.31	0.704	
Outreach and partnership sustainability score	≤20	16	2.56	0.814	0.539
	>20	16	2.38	0.885	
Campus sustainability score	≤20	16	3.44	1.965	0.323
	>20	16	4.13	1.962	
Social sustainability score	≤20	16	2.44	0.814	0.564
	>20	16	2.69	0.946	
Total sustainability score	≤20	16	18.27	5.599	0.477
	>20	16	20.43	4.603	

*$p < 0.1$

Table 12.7 Sustainability mean comparisons regarding university size

	Size	N	Mean	Std. Deviation	Significance
Institutional sustainability score	<20000	17	2.47	1.700	0.655
	>20001	15	2.07	0.594	
Educational sustainability score	<20000	17	5.53	2.427	0.044**
	>20001	15	7.07	1.223	
Research on sustainability score	<20000	17	1.94	0.899	0.502
	>20001	15	2.20	0.561	
Outreach and partnership sustainability score	<20000	17	2.76	0.903	0.058*
	>20001	15	2.13	0.640	
Campus sustainability score	<20000	17	4.12	2.058	0.295
	>20001	15	3.40	1.844	
Social sustainability score	<20000	17	2.53	0.943	0,823
	>20001	15	2.60	0.828	
Total sustainability score	<20000	17	19.14	6.526	0.780
	>20001	15	19.47	3.720	

*$p < 0.1$
**$p < 0.05$

sustainability practices with their local community to enhance their students to take part in students clubs on sustainability and environment.

12.5 Conclusion and Implications

This study examines the practices of 32 Turkish universities toward sustainability, emphasizing the prominent areas of sustainability and providing suggestions for more sustainable Turkish higher education. These universities implement sustainability mainly in terms of educational, research, outreach and partnership, and social sustainability dimensions, whereas the institutional and campus-related sustainability practices receive less attention. As also stated by Shriberg (2002), for the examined universities sustainability education is a central part of the curricula; developing and delivering courses and programs that address sustainable development are very important.

In terms of the total sustainability scores of the universities, no university gets the full score of 34. In fact, the highest score is 29 belonging to a public university namely Bogazici University. Among the top 10 sustainable universities, there are five public and five foundation universities whose scores range from 23 to 29.

In this study the sustainability scores of the universities are also compared in terms of university ownership type, size, and age. Regarding university ownership type, the mean scores of educational sustainability and research on the sustainability of public universities are significantly different from that of foundation universities and public universities have higher mean scores than that of foundation universities. In terms of the size of the universities, the difference in the sustainability mean scores of the smaller and larger universities is statistically significant. The educational sustainability score of the larger universities is higher, whereas outreach and partnership sustainability mean score of smaller universities is more than that of larger ones. These findings contradict with the findings of the previous research of Moon and Orlitzky (2011), who found negligible effect of university size and ownership on sustainability practices. Finally, in terms of age, for which no previous study was found, statistically significant difference exists only in educational sustainability score, and older universities have higher mean scores than that of younger ones.

Velasquez et al. (2006) state that it is not easy to incorporate sustainability into higher education institutions. As examined in this study, some universities have given more emphasis on their educational, research, outreach and partnership, and social sustainability practices, and few others incorporate sustainability concerns into their mission and vision statements. And still others aim their efforts in sustainability practices on their campuses. Unfortunately, as the results reveal none of the sampled universities have all the sustainability categories incorporated into their strategies. Therefore, in order to develop a better implementation of sustainability practices, it is suggested that universities embrace the whole categories of sustainability at a broader sense.

This study reveals what the universities are currently doing and how they pursue sustainability. It is recommended to conduct further qualitative research to study why universities engage in sustainability practices. Conducting in-depth interviews with the leaders of the universities and developing a case study, especially of those listed in the top five ranking, would provide a deeper understanding of the motives of the universities to apply sustainability.

The study has some limitations. A content analysis of the texts obtained from the universities' web sites and published reports may not provide full information regarding universities' all of the sustainability practices. Especially the most recent practices might be neglected, since they may not be updated in the web sites or reports. Although inspected by the other researcher, a one-rater content analysis might not have ensured full reliability as well. Considering these limitations, it is further suggested that future research should obtain more comprehensive data that will be examined with multiple researchers.

Sustainability is a process, not a destination, and higher education institutions can further develop strategies to implement all the categories of sustainability practices. Connection among curriculum and research, understanding and reducing any negative ecological footprint, and working to improve local and regional communities should be the goal of higher education institutions. That way, healthier, more socially responsible, stable, economically secure, and environmentally sustainable societies can be developed.

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Chapter 13
Dynamics of Sustainable Entrepreneurship: A Proposed 4S Model

Mine Yilmazer and Meltem Onay

Abstract The aim of this study is to research the dimensions of sustainable entrepreneurship in the industrial sector and to bring out the effects on sustainable development. For this purpose, activities of sustainable entrepreneurship of two firms operating in Turkey are examined. Considering the theoretical basis of the concept sustainable entrepreneurship and the practical studies on the subject, a new model called 4S has been developed involving economic, environmental, technological and social sustainability dimensions. In the study, multiple, exploratory and qualitative case study is preferred. Findings of the research show that firms' accomplice a cost lowering production with a technology that increases source efficiency, and this increases both the firms' competition force and profitability and fulfills the social and economic responsibilities.

Keywords Sustainable development goals · Sustainable development · Sustainable entrepreneurship

13.1 Introduction

Today, it is observed that while technological innovations are progressing at an unprecedented pace, life standards of individuals and production are also rising. Increase in production and new sectors emerging with innovations in technology, on the other hand, are facing the capacity of the world and causing activities giving harm to the ecological system. Industrial production, the most important cause of environmental pollution, and global warming have become a threat for the future generations. With the guidance of international institutions and academic studies, production system harming the environment has changed to a great extent today,

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and a more sensitive approach to environment in production and consumption has begun. Today, the countries that are really taking care of environmental planning and supervision are the European Union countries carry out a common environmental policy in accordance with international environmental agreements. Turkey, being in the process of EU membership, has started with environmental regulations in 2009 and determined its objectives and strategies. In this framework, it is planned that until 2020 greenhouse gas emission would be decreased to 20%, renewable energy use would be increased to 20% and energy efficiency use would be increased to 20% compared to the 1990 levels (ec.europa.eu 2016). Such objectives create sanctions for the industrial sector and accelerating the activity of sustainable entrepreneurship.

In this study, activities of sustainable entrepreneurship of two firms operating in Turkey are examined. For this purpose, the practices of the firms are observed, face-to-face meetings with department managers are held, and firm reports and statistics are examined. Considering the theoretical basis of the concept sustainable entrepreneurship and the practical studies on the subject, a new model called 4S has been developed involving economic, environmental, technological and social sustainability dimensions. This multiple case analysis model will help the firms to empower their economic policies as well as fulfill their responsibilities to the environment and society with their sustainable entrepreneurship practices. These practices of the firms can be a model for other producers and the society to increase their consciousness of sustainable development.

13.2 Sustainable Entrepreneurship Within the Line of Sustainable Development

Today, much progress has been achieved in the fields of economic growth, modernization, technology and human rights. Still, within the global context, issues like economic injustice, social development and ecology–economy relation are still on the agenda. The correct evaluation of the concept sustainable development for the recovery of life standards is for this reason very important. Sustainable development is first defined in 1987 the Brundtland Report prepared by World Commission for Environment and Development Commission (WCED) as: *meeting the needs of people without threatening the future generations*. Sustainable development is a complement of activities which enable the realization of economic, social and environmental sustainability at the same time and the harmonization of human activities with ecological balance. Countries, firms and institutions have set certain objectives and used quite a lot of ways and tools to reach these objectives (Kardos 2012: 1031). Economic growth is important for more production, more income and for supplying the needs of people. But economic growth should by no means give harm to the ecological balance and its sustainability.

Sustainable development is based on the axis of economy, society and environment. The recovery in these axes affecting and nurturing each other ensures the interaction of economy ecology (Fig. 13.1). Today, in the development approaches, environment dimension is also considered as well as economy and society phenom-

Fig. 13.1 Sustainable development. *Source* Soubbotina (2004)

ena. In the sustainable development concept, supplying the needs of humans has been set as the main objectives and taking measures to avoid harming. The ecological balance has been another objective. The economic activities and technological development aiming at supplying human needs can cause the destruction of natural sources and the environment; renewal of destructed natural sources requires a long time. On the other hand, harm given to the environment also threatens human health. Sustainable development does not only mean the recovery and preservation of the environment. At the same time, the aim is supplying human needs and fighting poverty. Unavoidability of inequality of income or decrease in unqualified employment through technology can cause an increase in unemployment and poverty. As a result, according to the sustainable development approach, as a unity of balance, it is necessary that economic growth should avoid giving harm to the nature, human beings and other living organism or having the responsibility to compensate the given harm.

The most significant studies on developing global objectives and policies about sustainable development have been realized by United Nations Development Program (UNDP). The Millennium Development Goals planned to start in the beginning of the twenty-first century and end in 2015, and the 2030 Sustainable Development Goals include the most comprehensive policies on health, education, inequalities, innovativeness, production increase, eco-system and biological diversity (UNDP 2017). Another study on sustainable development is *the Report on Better Life Initiative* prepared by OECD (2011). In this report, it is emphasized that in order to accomplish a sustainable better life, there is a need for progress on different capital areas. The four main capital factors seen as indicators for life quality are natural, economical, humane and social capital (Fig. 13.2). Sustainable Good Living Indicators of OECD and UNDP's Sustainable Development Goals are guided for the strategies of leading actors of economy.

Fig. 13.2 Sustainable well-being indicators

Parallel to the activities of international institutions, legal regulations are done and constantly updated in Turkey. Article 56 of the Turkish Constitution is as follows: *Everyone has the right to live in a healthy and balanced environment. It is the duty of the State and the citizens to improve the natural environment and to prevent environmental pollution.* The Environmental Law of 1983, which is amended in 2006, states preservation and improvement of the environment, and measures to be taken to avoid pollution (mevzuat.gov.tr 2016). Law on the Efficiency of Energy which entered into force in 2007 regulates the efficient use of energy, prevention of wasting, increase of social consciousness, support for projects and administrative sanctions (penalties) (resmigazete.gov.tr 2016a).

The goals stated in the 2015–2018 Turkish Ministry of Science, industry and technology include the sustainable development principle: high added-value production based on knowledge and technology, efficient use of source, green production, social development and production using qualified labor force (sp.gov.tr 2016). In 2005, Law on the Use of Renewable Energy Sources to produce electrical energy came into force and this law was renewed in 2011 (resmigazete.gov.tr 2016b). Within the Context of Turkey Cooperation Strategy and Action Plan, foundation of renewable energy cooperative, regulation on unlicensed electricity production, use of source and preservation of environment is supported (resmigazete.gov.tr 2016c). Apart from national regulations in 2001, Turkey gained United Nations Framework Convention on Climate Change (UNFCCC) which came into force in 1994, and in 2009, Turkey joined Kyoto Protocol which came into force in 2001.

European Union countries are dealing with environmental regulations with great concern and are making laws on this subject. European Union Climate Changes Programme involves issues like avoiding and decreasing pollution, storage of carbon, low-carbon technologies and trade of emission. EU countries have set 20–20–20 goals on climate change and energy efficiency. According to this, until 2020 they have planned to decrease greenhouse gas emission up to 20%, increase the use of renewable energy to 20% and to increase energy efficiency to 20% compared to the levels of the year 1990 (ec.europa.eu 2016). In the membership process, Turkey put into force the Law on the Environment Strategy (UCES) on the decrease of water, waste, air and industrial pollution (ab.gov.tr 2016).

In this context, companies in the industrial sector are obliged to obey the national and international environmental rules and conventions. Thus, entrepreneurship and perception of production is reshaped. Sustainable development and responsibility have gained priority.

13.3 Dynamics of Sustainable Entrepreneurship

Firms which contribute the most to the countries' economic and social progress, employment and technological innovations are the micro-actors of sustainable development. The sustainable entrepreneurship emerging in this framework aims at minimizing the harm given to the ecological balance in production and consumption process and leavening the future generations a livable world. With this perception, the entrepreneurs have seriously started to handle the issues such as social innovation, life cycle, carbon footprint and green products and are transmitting their activities to the public with sustainable reports. Sustainable entrepreneurship involves activities minimizing environmental effects and increasing social and economic earning.

As shown in Fig. 13.3, the intersection point of sustainable development and entrepreneurship activities forms the basis of sustainable entrepreneurship. This approach embraces the economic, social and environmental-friendly development. Entrepreneurship which aims at economic and ecological development and minimizes the paradox between these two is called eco-entrepreneurship. The dynamic of eco-entrepreneurship is: Eco-innovation; eco-responsibility and eco-opportunities (Fig. 13.3).

Eco-entrepreneurship is activities that keep in balance the entrepreneurs' drive for profit and maintain its position in the market and the goal to minimize the environmental effect of production activities. Production activities on the one hand enhance living standards while on the other hand cause consumption of natural sources, environmental pollution and global warming. For this reason, minimization of environmental effects without stepping back from production, in other words eco-entrepreneurship practices are of vital importance. Eco-entrepreneurship practices are handled under three main topics in the literature: eco-innovation, eco-entrepreneurship activities and eco-responsibility. Each of these factors constitutes a different part of environmentally friendly entrepreneurship activities. The dynamic and characteristics of eco-entrepreneurship are described in Fig. 13.4.

Eco-innovation provides a technological development that minimizes harm given to the environment during production and consumption process of the product. Innovativeness and quick problem solving for unexpected situations are the most significant features of entrepreneurship. Eco-innovativeness expresses a many-sided

Fig. 13.3 Structure of sustainable entrepreneurship

development rather than the traditional approach. Eco-innovation is not limited only to minimizing environmental effects or innovation in the product, processes, marketing and organization structure; it also includes innovation in the social and compares structures. Therefore, in line with demand from other sectors, governments, retailers and consumers, eco-innovation covers the modifications in social norms, cultural values and corporate structures in cooperation with partners like firms in the supply chain and competitors (OECD 2010).

Eco-opportunity is providing energy efficiency and source saving by using green supply for the product while firms protect their profitability and market share. With the guidance of international institutions, states are showing much effort to develop

Fig. 13.4 Dynamics of eco-entrepreneurship consciousness for the environment in entrepreneurs and consumers. With the help of these efforts, the environmentalist value of top-level management of the firms start to change, and a new consumer culture is created. Producers want to increase their market share and profits adapting themselves to the social responsibility criteria and consumers want to be ensured that the product they buy is workforce and environment-friendly.

Eco-responsibility includes all the strategies minimizing negative effects of the production activities to the environment. Eco-responsibility activities are: Corporate Social Responsibility, environmental management system, Lifecycle Practices, ISO 14001, etc. Eco-responsibility strategies help develop entrepreneurship investment from an ecological point of view.

13.4 Conceptual Framework: A Model Proposal

The main purpose of the study is to set a new sustainable entrepreneurship model considering all the dimensions of sustainable development with the help of data from literature review and theoretical background. While creating this new model, Sustainable Development Goals of UNDP, Sustainable Better Life Approach of OECD and Sustainable Entrepreneurship and eco-entrepreneurship concepts are taken into consideration. In this model, which is called 4S, the aim is that the firms operate with an approach involving all the dimensions of economic, environmental, technological and social sustainability. Firms, being the micro-actors of economy, are the most important supporters of sustainable development with their activities and investments. In this context, it is important that firms are canalized toward an awareness of sustainable entrepreneurship. For this purpose, practical studies on the four dimensions (economical, environmental, technological and social sustainability) of sustainable entrepreneurship in the literature are examined, and some propositions are presented.

13.4.1 Economical Sustainability

Economical sustainability is activities of a firm aimed at consumer supply with minimum cost-maximum revenue understanding to strengthen its place in the sector and to increase its competition force. The biggest concern of the firms in the sustainable entrepreneurship activities is the additional costs they undertake. Many practical studies in the literature show that all the saving obtained during the production process and the market share gained through competition force, increase profitability. Christmann (2004), Potoski and Prakash (2005), Darnall (2006) and Boiral (2007), Wagner (2009), Nath and Ramarathan (2016) have stated that top management and corporate values have increased a firm's environment consciousness, control and minimization of pollution, and accordingly the positive effects of these on competition and profitability. In some other studies, it is concluded that among the factors that lead the firms to sustainable entrepreneurship, consumer demand is much more dominating than other factors such as profitability (Pastaikia 2002; Volery 2002; Popp et al. 2007; Horbach et al 2012; Kammerer 2009; Doni and Ricchiuti 2013). Other factors that activate firms for economic sustainability are scarcity of natural sources, green partnership, competition with green products of other entrepreneurs, state policies and incentives, demands of non-governmental organizations (Volery 2002; Pastakia 2002). Kammerer (2009), Frondel et al. (2007), Horbach et al. (2012) have found out that environmental regulations have a dominant role on energy efficiency and consumer expectations. Hassic et al. (2009) have reached the conclusion that state subsidies such as R&D supports on renewable energy sources and emission control in OECD countries, investment incentives or fed-in-tariff provide cost saving. One of the most important activities of sustainable entrepreneurship is transmitting the firm opportunities to a global dimension in the production process that will not harm the nature, will not cause global warning and reduce the use of nonrenewable natural sources. Shrivastana, in his study on 3P Programme (Pollution Prevention Pays) publicized by the firm 3M in 1975, pointed out that the firm avoided more than 2 million ton of pollution with 3P Programme, and thus the firm was recovered at a cost of about $2 billion (3M 2015: 56). The economical sustainability dimension of the 4S model is important for the firm's competition power in the market, its profitability and sustainable entrepreneurship. In the model, four propositions are presented considering the economical sustainability criteria based on the studies in the literature.

- P1. Lost saving and maximization of profit increases economical sustainability.
- P2. Meeting consumer demands increases economical sustainability.
- P3. Empowering market share and competition force increases economical sustainability.
- P4. Utilizing state subsidies increases economical sustainability.

13.4.2 Environmental Sustainability

Environmental sustainability is the activity of firms reducing carbon footprint, using the nonrenewable natural sources efficiency without giving harm to ecological balance. In this way, firms are lowering to great extent and the activities are causing negative effects on global warming and climate change. The factors leading firms to invest on sustainable entrepreneurship can be divided into two: (Demirel and Kesidou 2011).

Internal Factors cost saving provided by environmental improvements, environmental management system, ISO 14001, Corporate Social Responsibility and Security of the workforce.

External Factors Environmental Laws and Regulations, environment taxes and social responsibility. ISO 14001 certificate, one of the adaptation criteria to the International Environmental Management Systems, reduces firms' pollution emissions and empowers their relationship with both state and non-governmental organizations and also their position in the international market (Potoski and Prahaslı 2005). Darnall (2006) and Boiral (2007) point out that ISO 14001 certificate is advantageous in global competition because it shows that firms acted in accordance with social responsibility criteria and also because of the economic and social gains. Ahatay and Aslan (2008) stated that the criteria leading businesses to own ISO 14001 certificate is environment-friendly top management, low-cost-high competition, increasing the living standards of the workers and legal obligations. In addition, a lot of researches show that it has increased the competition force of firm's social and environmental management systems and has positive effects on environmental pollution and employment (Christmann 2004; Wagner 2009; Rennings et al. 2004; Kunapatarawong and Martinez-Ros 2016). Firms acting with sustainable entrepreneurship principle provide efficiency in the use of nonrenewable sources as well as minimizing the harm given to the environment in industry production. In this context, Jabbour et al. (2015) has pointed out the positive effect of sustainable supply chain management and low-carbon-based production on climate change. Tantau et al. (2015), Nath and Ramanathan (2016) have emphasized that success has been achieved in the use of renewable energy, energy efficiency, recycle, eco-innovation, controlling and avoiding pollution during the production process as the level of environmental consciousness of the firms increases. In the 4S Model, environmental sustainability causes an understanding of production which provides a sensitive approach to ecological balance and minimizes the harm firms give to the environment in their economic activities.

Relying on the above-mentioned practical studies, three proposals are presented to explain the environmental sustainability of the 4S Model:

- P1. Production activities preserving water and material cycle increase environmental sustainability.
- P2. Activities in favor of natural source savings increase environmental sustainability.
- P3. Carrying out green supply chain and decreasing carbon footprint increase environmental sustainability.

13.4.3 Technological Sustainability

Technological sustainability can be defined as activities of the firms to reduce environmental effects, to provide source savings and also the green technology and innovation they use to sell environment-friendly products. These activities include reducing the environmental risk, pollution and other negative impacts during the process starting from the use of raw material in the production of a product or service until the disposal after consumption (Kemp and Pearson 2007: 7). Pujari et al. (2004), Pujari (2006) stated in their practical studies that compared to the production of traditional product, the power of the green product in the market depends on the success of product development, environment experts, suppliers and life cycle analysis that implement technological sustainability express innovation in energy conservation, pollution prevention, recycling, green product design technologies or environment management systems (Chen et al. 2006: 332). There are some studies in the literature on such implementation of firms. Horbach (2006) evaluated the dynamics of sustainable entrepreneurship under three main topics: Supply-based indicators (firm's technological competence, financial issues and market properties), demand variables (clean production need, social awareness for green products and the changing needs), corporate and political factors (regulations on environment, incentive policies, political factors opportunities of environment-focused groups, information flow and existing innovation network).

Kemp and Pearson (2007) stated that the indicators of sustainable entrepreneurship are input (finance and human factor, firm's technological infrastructure, Research and Development expenses) environment policies, environmental management systems, demand structure, market competition circumstances, partner expectations, and technology producing workforce. Schiedering et al. (2012) have six explanations for these activities:

1. Green product, process, service management;
2. Competitive market management;
3. An environmental point of view that will minimize negative effects;
4. A life cycle reducing resource utilization;
5. Economy and ecology supporting management;
6. Establish a green standard/innovation management.

Kesidou and Demirel (2012), relying on Corporate Social Responsibility and Environment Economy literature, point out three factors:

1. Demand factors;
2. Organization capacity;
3. National and international conventions and regulations on environment.

Popp (2006), who researched the relation between air pollution and innovations in automotive sector in the USA, Japan and Germany, has observed that in the environment-based innovation activities of the firms, national environment regulations are more effective that international rules. He found out that native product designers are indirectly influenced by international technology transfers.

Leonidou et al. (2015) have researched the internal (environment-friendly top management, corporate green culture) and external (social concerns about ecological issues in international markets and competition intensity) factors of management policies in case of green exportation. They concluded that firms with much experience, high technology production and firms that sell their products to developed countries mainly used green exportation strategy. With the technological sustainability dimension of 4S Model, firms implement production that does not harm ecology using its competition force and environment-friendly technology. In this context, proposal for technological sustainability are as follows:

- P1. Technological sustainability increases when health conditions of the workers are enhanced and this motivated.
- P2. Technological sustainability increases when skills and proficiencies of the workers are developed and supported with research and development expenses.

13.4.4 Social Sustainability

Social sustainability creating an awareness of environment within the society, act in social cooperation during the environmental planning process and taking steps in social responsibility. National and international environment regulations and laws have a compelling impact on sustainable entrepreneurship investments of the firms and state's R&D expenditures have an encouraging effect. According to Pastaika (2002) State's environment policies, Frondel et al. (2007), Kammerer (2009), Hascic et al. (2009), Horbach et al. (2012) environment regulations and conventions, Klassen et al. (2005) R&D support of the public, Popp (2010) environment policies like carbon tax and carbon market have a positive effect on sustainable entrepreneurship. Johnstone et al. (2008), Samad and Manzoor (2015), Li and Lin (2016) tools like environment taxes, R&D expenditures have investments. Jaffe and Palmer (1997); Brunnermeier and Cohen (2003) emphasized that cost of environment adaptation does not affect these investments. Kim and Kim (2015) stated that activities supported by environment policies increase the competition force of firms. Firms with export activities in green product markets are mostly the firms which have proven to have made environment- and society-friendly investment. Social sustainability dimension of the 4S Model includes activities of a firm that adapt sustainable entrepreneurship activities to increase environment consciousness in the society. In the model, three proposals are developed to explain social sustainability.

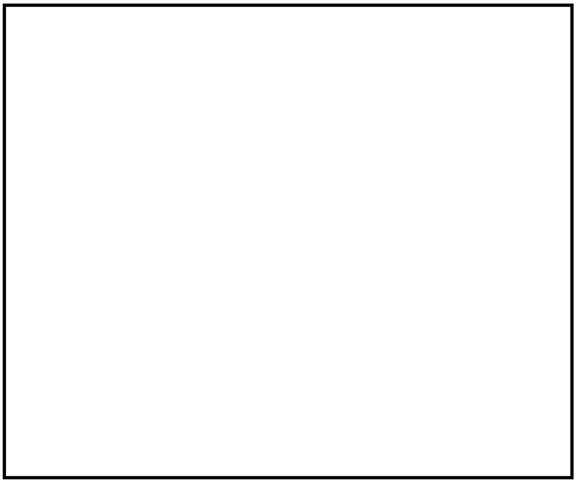
- P1. Studies on increasing environment awareness and providing social cooperation increase social sustainability.
- P2. Developing national and international projects and social responsibility initiatives increase social sustainability.
- P3. Cooperating suppliers and organizing training programs for them increase social sustainability.

Four main dimensions of 4S Model and the sub-criteria formed with support from literature are shown in Fig. 13.5.

13.5 Research Method

The aim of the research is to present a new model which covers economic, environmental, technological and social dimensions of the firm's sustainable entrepreneurship activities. It is significant that the concept sustainable entrepreneurship is well

Fig. 13.5 4S model



understood in Turkey. A qualitative research method is preferred because of rich data recorded and observed in a natural environment (Barley et al. 2001: 637) in the understanding of efforts of various behaviors and sources on sustainable entrepreneurship. Qualitative studies which use data gathering methods like meeting, observation, survey and documents analysis can be defined as exploration researches that explain the activities of firms in a detailed and comprehensive way in natural circumstance (Yin 1981: 26; Schell 1992: 2–4; Eisenhardt 1989: 534–35). At this point, sample case studies are the best methods that can be used for a modern subject in which "how" and "why" questions become in the main topic (Yin 2003: 2). Sample case studies can be divided into three groups: Number of cases, types of case and type of data (Yin 2003: 20). In this study, a multiple, exploratory and qualitative case research is preferred. The reason for multiple case choice is to study the activities of one Turkish and one foreign firm in Turkey in sustainable entrepreneurship activities, to make comparisons, and to provide a hypothesis in the future by enriching the research data. The two samples of our research are Bosch Thermo technical Heating and Air Conditioner Manufacturing and Trading Inc. and CMS Rim and Machine Industry Inc. Both firms are operating in the field of manufacturing which cause environmental pollution but are in different sectors. This enables a sectoral comparison. With more than 500 workforce and being well-placed in International Trade, the firms export 80% of their products (Table 13.1). Even though these two examples do not provide detailed information about the whole sector, the analysis made on Bosch of German origin, a country in a leading position in environment policies in the EU and CMS which has taken steps in environmental issues, will enable to compare the two countries' implementations.

As primary data collection tool, in-depth meeting and as secondary data collection tool, firms' reports, Internet sites, statistics and media news are used in the study. The meetings are held face-to-face with executives of the firms' marketing, corporate communications, Research and Development sections; answers to pre-prepared

Table 13.1 Detailed description of the sample

Firm	Foundation year	Number of workers	Foreign trade rate (%)
Bosch	1991	529	75–80
CMS	1980	1625	85

or spontaneous questions are required. The questions were prepared considering the four main dimensions and sub-propositions that are formulated according to the concepts obtained from the literature review. In this direction, 12 questions are prepared related to the propositions of economic, environmental, technological and social sustainability dimensions which constitute the skeleton of the 4S Model.

In the analysis of data, descriptive analysis method is used, summarized and interpreted. After meeting with the managers, in case the implementations of the firms supported the propositions in question. Moreover, the structure of the model should be developed after the exploratory research.

13.6 Evaluation of Data Obtained

Data obtained from the two case studies have been interpreted with cross-case analysis. The analysis is used in determining the similarities and differences between the two firms (Yin 2003). Case firms are summarized in Table 13.2.

The result of our research obtained from the stated proposals and economical sustainability understand is as follows:

P1. *Cost saving and profit maximization increases economical sustainability*.

Bosch tries to use resources efficiently and provide energy saving to reduce cost and increase profit. Although environmental investments seem to increase the cost, it is stated that the revenue from the sale of green products increased profitability. With given products, a new consumer profile is formed because they also provide energy saving for consumers. In the production as well as consuming process, the most important effort for cost saving is sensor technology. In this system, gas and heat in the machines are measured. In this way, machines can be opened and closed automatically, and unnecessary energy waste is avoided. Besides, the firm produces modular equipment which makes it possible to produce diversified products. CMS firm, which operates in automotive sector, tried to increase its sales and profitability by taking measures within the framework of its recent sustainability policies. It started the production of light alloy rim and with this it provided raw material saving and also green product design. The firm has also taken measures against lowering the cost by reducing consumption of water and energy. Reusing the raw material and production of light alloy rim were used as a different method for costing saving.

Both firms are minimizing cost by using efficient energy; at the same time, they could maximize a high price. Finally, we can say that firms' economical sustainability increases in case of cost saving and profit maximization.

Table 13.2 Summaries of the factors of the case firms

	Bosch	CMS
Economical sustainability (P1)	Efficient use of resources, energy, saving, high profitability, sensor use in production and consumption, modular equipment uses	Cost saving by light alloy rim, efficiency in water and energy consumption, reuse policy of the raw material
Economical sustainability (P2)	Flexible production, product diversity, call center, creating environment-friendly consumers	Meeting customer demands, product diversity, green product, creating environment-friendly consumers
Economical sustainability (P3)	Competition between factories, awarding system, cooperation with other sectors, international competition, sustainability reports, branding	Competition between factories, production and sale in international scale, sustainability reports and branding
Economical sustainability (P4)	Utilizing government support, energy saving awards	Utilizing government support, energy saving awards
Environmental sustainability (P1)	Water management policy, decrease and recycling of waste, reuse of packing, paperless factory project	Use of rainwater, reduction of raw material, waste management, recycling, use of recyclable packaging
Environmental sustainability (P2)	Conforming to national and international environment regulations, heat insulation studies, environmental cost reports	Light alloy rim production, raw material savings, fuel economy for automobiles by using light allows rim, energy efficiency in the process of pollution
Environmental sustainability (P3)	Green supply implementations, environmentalist slogans, logos and commercials, reductions CO_2 emission	Interoffice environment policies in conformity with environment regulations, carbon footprint measurements, reduction of CO_2 emission
Technological sustainability (P1)	Environment and job security practices, prevention of all kinds of discrimination among workers, job security for workers and families and environment training	Environment and health policies, in-house environment policies, trainings, job security for sub-industry environment trainings
Technological sustainability (P2)	Product design, “environmentalist designing” in the process of product development and innovation, energy efficient R&D, technology transfer to other firms and sectors	Less use of raw material, recyclable raw material, recyclable raw material use, power generation from solar energy, storage and reuse of waste gas
Social sustainability (P1)	Training for suppliers, non-governmental organizations, and schools in the region on environment policies in the framework of future projects	Environment awareness trainings for school and non-government organization in the region

(continued)

Table 13.2 (continued)

	Bosch	CMS
Social sustainability (P2)	Carry out national and international projects, forestation activities in the region, and translating Turkish authors into German	Carry out national and international projects, forestation activities in the region, installing *bee colony* in the region
Social sustainability (P3)	Job security in supply of products from suppliers, avoiding child labor, implementing sanctions	Expectation from suppliers to conform to EU Standards, not working with non-conforming suppliers, train suppliers if necessary

P2. *Meeting consumer demand increases economical sustainability*

In Bosch, flexible production understanding is observed, and a product diversification is realized that shows differences according to consumer demands. With the help of policies and marketing techniques, they convinced the low-income consumers who want to buy cheap products, that high-cost green products can be profitable for the budget with high energy saving. Consumer demands are brought to the level of EU environment standards. They also developed products that are cheap and energy saving for customers in developing countries. They established a call center to monitor demands and complaints of consumers. In this context, they made it possible to carry out the firm's services safely before and after sales. CMS firm which produces intermediate goods for top producers in the automotive sector, has started environment-friendly production upon the demand from customers. In this direction, light alloy rim is produced that provide consumers energy saving with less fuel consumption. Environmentalist production technique, which has started upon the pressure of the costumers, is also accepted by the top managers. With the help of this production technique, it is not difficult for the firm to increase the number of its consumers and is increasing its market share gradually. Product diversification caused the firm to increase its market share. Products and sector-directed studies of both firms have helped improve environmentalist values in the society and created a mass of environment-friendly consumers. Both firms accepted the belief that the factor that increases sale of green products is awareness of the society. In line with P2, it is observed that meeting the demands of consumer environment-friendly products have positive impacts or economical sustainability.

P3. *Increasing market share and enhancing competition force increases economical sustainability*

Competition in terms of efficiency and production between various factories within the body of the Bosch firm is promoted. In addition, each personal performance is awarded and shares by means of information network between the factories. Competition and synergy caused in such circumstances are factors that led the firm to high quality production. Information sharing is not limited to the factories within the firm, cooperation within firm, cooperation with firms in different sectors are also formed. By following the international environment regulations and updating their policies, both firms are continuously raising their reputation. The firms publicize their activities with sustainability reports regularly. These policies help increase their market share and their power among other firms. Bosch and CMS have become important brands that operate, produce and create jobs in international norms. With these features, they become role models for other firms in contributing to the formation of environment culture. Environment-friendly entrepreneurship understanding plays an important role for the firms to increase their market share and consolidate their position in the market; these activities can affect economical sustainability positively.

P4. *Utilizing government support will increase economical sustainability.*

Bosch and CMS are utilizing government support. In some projects or activities, government subsidies are used. However, support and subside from the government are not top-ranked among the factors guiding firms' environment policies. Government subsidies for firms' environment regulations and finances provide comfort to some extent. Similarly, environment rewards extended by the government stimulate technological investment of the firms. The thermo technical Bosch factory in Manisa provided saving with its "Final Test Station Heat Recycle System" and has lowered CO_2 emission. They won the first place in the competition "Energy Efficiency in Industry" organized by the Ministry of Energy and Natural Resources-General Directorate for Renewable Energy. CMS firm provided storage and reuse of water with "rain water project." This natural resource saving project was awarded by the Agean Region Chamber of Industry. Utilization of government subsides is an advantage for financing environmental investments and also developing projects that will bring them rewards. Utilization of government subsidies to finance environmental investment is advantageous not only in providing economical sustainability, but also developing projects that will bring them rewards. This motivates new investments and increases economical sustainability.

In the research, the feasibility of the three proposals that will provide environmental sustainability is explained with examples from the two businesses.

P1. *Providing water and material cycle in production activities increase environmental sustainability.*

Bosch implements a special *water management* policy for the control of water cycling. In this policy, implementations like reuse wastewater, storage of rainwater, pollution measuring in wastewater are carried out. The amount of chemical used in the production process is monitored by technical staff and by the related department managers, and the necessary measurements are taken to minimize the harm. The data collected is reported, and new measurements to decrease the environmental effect are developed. Besides, studies are carried out on precautions to reduce the environmental problem emerging during the process in which the product has started to be used. For example, awareness activities are carried out on clearing the chemicals in the wastewaters of condensing air conditions in residential areas using special methods.

Similarly, in CMS, to protect water cycle, the project of recycling of rainwater is carried out regularly in recent years. When the project proved to be successful and paid off the cost, new projects on source savings were supported. For preservation of material cycle, activities are carried out in Bosch to reduce and reuse the waste during the production process. The dangerous and safer waste are separated from each other and sent to licensed companies for recycling. It is given special training to the personnel for managing and implementing this process. Besides, it is also important that the product packages are recyclable. Paperless factory project which started in the last five years and will be concluded soon is carried out successfully. In CMS, waste management policy is being realized in accordance with environment standards. The firm owns the necessary certificates on this issue. The firms' product light alloy rim is recyclable and is accepted as environment-friendly, so raw material loss reduced. Other factories of the firm are in competition in waste management. Positive practices on product's recycling are shared and support.

Enhancing its policy, instead of obtaining a new product from the waste of new product, the firm tries to create two new products from the same amount of waste. The firm is also producing recyclable packages and collects them after use. In accordance with P1, it is observed that the production activities of the firms that do not damage water and material cycle reduce the use of resources and have positive effects on environmental sustainability.

P2. *Activities in favor of natural resource saving increase environmental sustainability.*

Bosch, in order to provide resource savings, is following policies in accordance with both international conventions and regulations in the invested countries and updating regularly the implemented environment and quality standards. The policies are parallel to EU acquits; the top management is even among the decision makers in the determination of the regulations. For this reason, the firm is in the position of not only implementing but also decision making and with this status it can direct the sector and lead the other firms. By means of heat insulation activities in Manisa factory, energy saving is provided on a large scale and the use of natural resources is decreased. During the production process in accordance with Environment acquits, in order to monitor and follow the amount of expenditure for soil pollution, waste management, preservation of nature, landscaping and energy management; environment cost report is prepared annually. In this framework, necessary measures are taken to reduce the use of energy and water. In CMS, natural resource savings and the issue environment is always on the agenda. Since aluminum sector is the most energy-wasting sector among the iron–steel sectors, the importance of the efforts for energy efficiency is great. The firm, for this reason, gives particular importance to natural resource savings both in production process and the final use of the product, high alloy rim production reduces the use of aluminum, and the production provides fuel saving in automobiles. Furthermore, the firm is aiming at energy saving by decreasing physical workforce and increasing mechanization during production process. Carrying out projects to decrease natural gas consumption to 25% is planned. Finally, in accordance with

P2 proposition, measures for natural resource savings in production activities enable environmental sustainability.

P3. *Carrying out green supply chain and decreasing the carbon footprint increases environmental sustainability.*

The main philosophy of Bosch is to make it possible to realize a production activity that favors environmental sustainability. In this contest, green supply chain is implemented in all the steps from raw material until the annihilation after the use of the product. With this philosophy, Bosch tries to reflect the importance it gives to environment with slogans, logos and commercial policies. For instance, the environment logo is designed as a symbol of importance given to job and environment safety. The blue circle symbolizes clean air and water, the green leaf environment-friendly production process; the Q form signifies quality. The contribution of the policy to reduce carbon footprint that shows the effect of CO_2 emission being the main factor of global warming is high. For this reason, CO_2 emission is controlled regularly within certain limits. In Manisa factory, CO_2 emission is reduced at the rate of 43% from the year 2007. With this performance, the factory reached the target determined by the EU for the year 2020 on reduction of CO_2 and is striving for higher targets. CMS, operating in the automotive sector which has a big role in CO_2 emission and global warming, is producing a lighter alloy rim to reduce the environmental effects during the production and consumption process. In this way, natural resource use in production and use of less fuel in consumption, CO_2 emission could be decreased. CMS is realizing extremely sensitive implementations on the subject carbon footprint as a result of the policy accepted by its customers and top management. To be in accordance with the renewed law and environment regulations from 2012 on, the environment policies of the firm is updated regularly. CMS, a firm that provides products for the worldwide automotive firms in international scale, has to meet the expectations of the customers about environmental standards. Among these expectations are carbon footprint measurements. In this framework, carbon footprint measurement is done regularly. By using chimney filtration system, CO_2 emission is reduced. Both firms manage the process of the product from raw material until its recycling after the final use regarding the life cycle strategy. According to the results obtained from firm data, it is possible to consider that parallel to P3 proposal, firms carrying out given supply chain and reducing carbon footprint have positive effects on environmental sustainability.

Feasibility of the two proposals to explain the firms' contribution to technological sustainability is explained with examples from the two sample firms.

P1. *Technological sustainability increases when health conditions of the workers are enhanced and when motivation is generated.*

In Bosch, in-house trainings are important for the implementation of environment regulations successfully. In this context, concrete measures are taken in the physical circumstances of the workers to organize environment and job security. Bosch is also taking measures to minimize race, language, religion and gender discrimination among the workers with the principle *we all differ, being different is important.*

In recruitment and promotion issues female-male inequality is avoided. Every year environment days on different topics are organized in the factory. With such organizations, the business introduces its environmental norms and helps the workers with the implementation of these norms and carries out activities that will help them accept and internalize these norms. In these activities, the participation of the workers actively in the decisions is also provided. The families are also included in environment activities. Signboards and instructions about job safety and environment used in the factory are prepared using the photographs of the workers children. With this, the motivation of the workers and their sense of belonging are increased. CMS has a special environment and job safety policy. The firm is organizing trainings to increase the efficiency and safety of the workers regularly. Workers are not allowed to start work without taking environment training. Efficiency of sub-industries is also increased by information sharing. When the above-mentioned activities are considered when an improvement in health conditions of the workers and motivation is provided, this can contribute to technological sustainability.

P2. *When the expertise and skills of the workers are improved and supported by R&D expenditures, technological sustainability increases.*

Bosch internalized environment standards determined by the EU and Kyoto Protocol and adjusted environmentally friendly management understanding. In all the bodies of the firms, an efficient use of natural resources, energy saving, implementations decreasing pollution and carbon footprint are supported. The high cost used for these practices are met with technological innovations. In Manisa factory, wall type air conditions, components and heat pumps are manufactured. In the R&D department, activities are done with environmental designing understanding. It is believed that the personnel in the R&D department is qualified and satisfactory. Products show diversification according to customer demands. Condensing devices replace traditional products. The factory's products are in A level energy scope and products that are not eco-friendly are not manufactured. Energy saving and low-cost products are used for Bosch products; they are also sold to different firms in different countries. For example, system setup in China and Russia is established. Likewise, there is demand for technology transfer from automotive and gas cooker industries. CMS is carrying out green technology activities with a large number of R&D team and cooperation with universities. With the production of light alloy rim, use of aluminum pro product is reduced, this causes a reduction in the use of natural resources and energy saving is provided in consumption. Apart from less use of aluminum, the firm was able to transfer the wasted products into recyclable raw materials. With these policies, CMS is providing savings in raw material supply which is the first stage of the life cycle of a product, in the recycling/waste management, which is the last stage, the firm is providing efficient source management. A special team is formed on the issue creating electricity from solar energy to provide efficient use of energy. They are also developing systems for the storage and reuse of chimney gas. In accordance with P2 proposal, it can be said that when the expertise and skills of the workers are improved and at the same time directing R&D expenditures toward environment-friendly investments, will increase technological sustainability.

To explain social sustainability three proposals are developed.

P1. *Developing studies on environment consciousness and providing social cooperation increases social sustainability.*

The top management determines environment policies of the firm Bosch and these policies are implemented in different factories in the different regions of the world. The main strategy of Bosch is green management sensitivity. These policies which cover stricter rules compared to the international environment regulations, direct the world implications and form an example for the other firms in the region. The environment policies which are updated regularly are carried out within the framework of 2050 projections. Bosch offers trainings on energy efficiency and natural resource savings not only to its workers but also to schools, civil society organizations and suppliers in the region. For example, *dark room activities* are performed to stimulate an energy free world. With the slogan *technology for living* they use in their promotion campaigns, they use the themes/a warm and happy home. CMS is carrying out studies on energy efficiency during production process; it is also planning to actualize an environment policy that will cover all the activities of the firm in the near future. The cost lowering effects of the energy policies implemented until today make it attractive to create new activities. In this respect, activities supporting the competition among the firms' three factories are carried out. The firm is also working on external projects to provide social cooperation and increase environment awareness. In this context, it offers trainings on environment awareness to the schools and the civil society organizations in the region. According to data, it is considered that the cooperation of the firms on increasing environment awareness in the society, contributes to social sustainability.

P2. *Developing national and international projects and performing social responsibility initiatives, increase social responsibility.*

Both firms are providing donations, sponsorships and trainings in their regions. In this context, support is obtained from national and international projects. Bosch is carrying out foresting on Manisa-Izmir highway. With this, an activity is carried out to redeem the carbon footprint emerging during the production process. The firm is also contributing to the advertisement of Turkey by translating some works of Turkish writers into German. CMS is following the measurements to be taken within the framework of EU environment law and trying to finance the costs with some national and international projects. CMS have also two forests in Izmir. The firm built a bee colony in Izmir Gaziemir, tries to obtain pollen and effect the flora positively. When such environment-friendly activities are shared with the public, a sale increase is observed. Parallel to P2 proposal, social responsibility initiatives of the firms using national and international projects affect social sustainability positively.

P3. *Cooperation with suppliers and organizing trainings for them increases social sustainability.*

Bosch confronts some difficulties in the supply of raw material, intermediate and investment goods. Similarly, difficulties are experienced in finding sub-industries that are professionals on waste management and adapted environment standards. For this reason, the firm tries to impose its environment strategies on the suppliers too. Training of the suppliers and imposing some sanctions under necessary conditions is possible. When supplying products from suppliers, standards like job safety, environment, labor rights, not allowing child labor are required and obedience to these standards is audited. CMS is similarly implementing a special raw material management policy. It implies sanctions on its suppliers in accordance with EU standards. In buying raw material from the suppliers, banned materials are avoided and such firms are eliminated. As a result, we can say that working in cooperation with suppliers and organizing trainings for them increase social sustainability.

13.7 Conclusions

In our world in which global warming shows its effects and as the damage that environmental pollution gives to human beings and the nature increases, a change in living conditions directed to reducing environmental harm is the importance topic. The biggest responsibility in this respect belongs to the entrepreneurs in the sectors that create pollution. The aim of this study is to research the dimensions of sustainable entrepreneurship in the industrial sector and to bring out the effects on sustainable development.

Based on findings from theoretical background and literature survey, a new sustainable entrepreneurship model is tried to be created that considers all the dimensions of sustainable development. In this model, called 4S, economic, environmental, technological and social responsibility dimensions are handled, and proposals are formulated for each dimension. In the study, multiple, exploratory and qualitative case study is preferred. One Turkish and one foreign firm are taken as samples, their sustainable entrepreneurship activities are examined, and companies are made. The findings of the study support the 4S Model. When the implementations of two firms' implementations are compared, the titles that came out are as follows:

- Use of natural resources is reduced.
- Efficiency is provided in water and energy consumption.
- Flexible production and product diversity are provided.
- An environment-friendly consumer group is created.
- Competition between factories is promoted and rewarding system is generalized.
- Sectoral cooperation is developed, and sub-industry is supported.
- Brand awareness is promoted, and internal trainings are organized.
- Government subsidies are utilized.
- Rewards in national competitions on energy saving are won.
- Water management policies are created.
- Waste management and recycling activities are implemented.
- Accommodation to the environment acquits is provided.
- CO_2 emission is reduced.

- Implementations on environment and job safety and internal trainings are promoted.
- Green product saving is provided.
- Trainings are given to civil society organizations and schools on environment consciousness.
- Foresting and activities on the preservation of ecological balance are done.
- Sanctions are imposed on suppliers in the direction of environment standards.

As a result, the sustainable entrepreneurship implementations of the two firms' operations in industrial sector that because pollution plays an important role in the reduction of environmental harm in the consumption of natural resources. Findings of the research show that firms' accomplice a cost lowering production with a technology that increases source efficiency, and this increase both the firms' competition force and profitability and also fulfills the social and economic responsibilities. In this way, while the firms accomplish economical sustainability, they carry out their responsibilities on the one hand and play a part in corporate social responsibility and social innovation on the other hand. Each new project of the sustainable entrepreneurs has the power to change the attitudes, perceptions and behaviors of individuals and institutions. In this way, sustainable development policies that started with state guidance in the beginning will reach and affect every small part of the society through the firms. In this system, suitable conditions are created in accordance with sustainable development principles and win-win principle is implemented within the firm-state-society trio.

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Chapter 14
Developing Sustainable Strategies at the Base of the Pyramid

Ranjit Voola and Archana P. Voola

Abstract The purpose of this chapter is to understand the trade-offs inherent in the base of the pyramid (BoP) strategies from the perspective of BoP consumers. This chapter argues that it is important for firms to listen to the voices of the BoP consumers, specifically to understand how they view for-profit firms seeking to reconcile profit motivations with alleviating poverty. The study draws on qualitative research conducted with 15 consumers of microfinance loans in rural South India, where the microfinance firm had both profit and poverty alleviation motivations. Three key themes emerged as the outcomes of the research study. These are as follows: (1) ambidextrous motivations of the firm (wanting to help, profit motivations and blessings from God); (2) awareness (whether the consumers were aware of the profit motivations); and (3) image of the firm. Inserting crucial voices of the poor into BoP debates will not only increase their robustness but also generates new and innovative thinking to support marketing managers who seek to engage in BoP contexts but are unsure of the tendentious question of poverty alleviation whilst making profits.

Keywords Base of the pyramid · Trade-offs · BoP consumer voices · Poverty alleviation · Profitability

14.1 Introduction

There has been growing call for the private sector to engage in poverty alleviation (e.g. Scheyvens et al. 2016; Achrol and Kotler 2016; Rahman et al. 2015). This view has gained prominence due to the limitations of traditional poverty alleviation programmes through global charities, governments and not for-profit organizations

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to develop sustainable living or self-reliance (Sachs 2005). According to Achrol and Kotler (2016, p. 4), "helping the poor escape from poverty would expand markets, create opportunity, encourage growth, and raise the incomes around the world by creating more trade and employment". This view was endorsed by the United Nations in 2015, with the ratification of 17 Sustainable Development Goals encouraging the private sector to be proactive in eradicating extreme poverty by 2030 (United Nations 2016). Industry forums such as the Business Call to Action initiative launched in 2008 encourages businesses to think about inclusive models that simultaneously alleviate poverty and make a profit (Business Call to Action 2016). At the heart of these global initiatives is the recognition that without the engagement of the private sector, sustainable development cannot be achieved.

The focus on sustainable development by governments, non-governmental organizations (NGOs) and private sector is echoed in academia where scholars have argued that the examination of sustainability is critical because it is the context shaping phenomena of this century (e.g. McDonagh and Prothero 2014). At the core of sustainability, the literature is the concept of the triple bottom line (i.e. planet, people and planet) (Balderjahn et al. 2013; Hahn et al. 2015) which emphasizes proactive prevention of trade-offs between the economic, social and environmental dimensions. However, sustainability literature has prioritized instrumental logic, where the economic dimension is prioritized over others (Hahn et al. 2015). Such unidirectional focus is detrimental to sustainable development because trade-offs result in a gain in one dimension and a loss in another (Brix-Asala et al. 2016). Therefore, an integrative view where firms pursue different sustainability aspects in all three dimensions simultaneously—even if they appear contradictory—is necessary (Hahn et al. 2015). Such integration requires a proactive strategy to engage with tensions inherent in sustainability (Van der Byl and Slawinski 2015; Ozanne et al. 2016) so that emphasizing one aspect over others does not lead to detrimental effects on sustainability (Hahn et al. 2015).

Within the context of poverty alleviation and business strategies, these trade-offs between seemingly contradictory goals are evident in the BoP constituting most of the world's population. The ramifications of the trade-off are experienced more in this population, characterized by poverty, uncertainty and a struggle for daily living. Understanding trade-offs is critical because "sustainability refers to desirable outcomes at the overarching societal level, as business firms are expected to improve the general welfare and to be meaningful, sustainability has to improve the welfare gains of people over time" (Khavul and Bruton 2013, p. 287). Therefore, firms emphasizing the economic dimension over others may be negatively affecting the welfare of the poor. Emphasis on the economic dimension is largely due to lack of engagement with the BoP consumers to understand their attitudes towards sustainability and how they reconcile the contradictory aspects of sustainability (Brix-Asala et al. 2016). Therefore, in order to redress this imbalance, understanding how BoP consumers think about the trade-offs, and how they reconcile these trade-offs is important for BoP strategists.

In this chapter, we advance the understanding of the trade-offs and how BoP consumer reconcile these trade-offs that companies face, through a bottom-up approach

(Venugopal and Viswanathan 2016) by intentionally focusing on the "consumers" at the BoP. We examine their perceptions and attitudes towards trade-offs in the context of a for-profit company's engagement with BoP consumers. Capturing the voices of the BoP consumers in the context of trade-offs is important because of the strategic need for incorporating the voices of the BoP consumers in strategy development (Nahi 2016) to meet the consumer rights of the BoP consumers to be heard (Consumer International 2009) and to proactively empower BoP consumers.

By proposing the "doing well by doing good" maxim, the BoP thesis also raises questions relating to the identity and ethics of contemporary businesses (Karnani 2007; Arora and Romijn 2011). Despite the range of public discussion emanating from the media, government, and advocacy groups and the businesses, there is a startling lack of academic research concerning the opinions of BoP consumers about the trade-offs at the BoP. The study presented here aims to fill this gap in the trade-offs, including reconciling them from the consumers' perspective. Thus, we contribute to the understanding of sustainability literature within the context of the BoP literature by incorporating the voices of the consumer at the BoP (Schultz et al. 2012). In our research, this voice is represented by 15 female recipients of microfinance. They received loans from a microfinance institution (MFI) which had simultaneous objectives of obtaining profits and to alleviate poverty at the BoP.

The remaining part of the chapter is organized as follows: in the next section, we explain the literature on BoP and integrate it with "voice of the consumer" at BoP which is essential to engage the consumers in poverty alleviation programmes through understanding their perception. The following section discusses the research context and methodology followed by the discussion and conclusion of the study.

14.2 Conceptual Background

Around one billion people survive on less than $2 a day. Prahalad (2005) questioned the historical role of for-profit businesses with these markets, arguing businesses need to rethink their business strategies and cater to these poor, not only by being charitable but also to develop business strategies that achieve both economic outcomes as well as social outcomes. In suggesting this proposition, the BoP thesis questions several assumptions; including the primacy of maximizing shareholder value; that historical dominance of governments and non-profits in engaging with the poor and that there is an economic value in engaging this segment. This thesis has led to many MNCs adopting BoP strategies in order to overcome the saturation and increased levels of competition at the "rich" marketplace (Kayser and Budinich 2015). More recently, smaller firms have also started to engage with the BoP (Chliova and Ringov 2017). However, there have been several critiques of the BoP thesis including responsibilities of for-profit firms towards the societies (Letaifa and Reynoso 2015), and whether it is possible to overcome the difficulties in achieving both social and economic outcomes at the same time (Brix-Asala et al. 2016). There have been a growing number of scholars who question the relevance and applicability of the BoP, including questioning the fundamental assumptions of the BoP (Karnani 2007; London et al. 2010; Arora and Romijn 2011; Khare and Varman 2016; McKague et al. 2015). For example, Arora and Romijn (2011) question the BoP by highlighting that it does not consider the unequal power relations evident at the BoP, Varman et al. (2012) show that the BoP strategies prioritize economic outcomes as opposed to the poverty alleviation outcomes and Duke (2016) highlights the lack of evidence of the BoP to achieve economic outcomes. These various critiques emphasize the paramount importance of deeply understanding the BoP consumer. To this end, firms must focus on sensing the needs of the BoP consumers as well as responding to these BoP consumers at the core of their strategy.

14.3 Voices at the Base of the Pyramid

The seemingly contradictory nature of poverty alleviation and profit making is at the core of the debate between the proponents and the critics of the BoP. Catalytic institutions (governments, NGOs and businesses) in the developing world, as conceptualized by Schultz et al. (2012) have rigorously engaged in this debate. For example, the government in the state of Andhra Pradesh in India passed the Andhra Pradesh Microfinance Institutions (Regulation of Money Lending) Act, 2010, which curtailed the microfinance institutions because these companies were allegedly exploiting the poor. This suggests that the government sees a fundamental contradiction in poverty alleviation and profit making, concluding that profit-making objectives lead to exploiting the vulnerable.

Currently, the bulk of the debate seeking regulatory change is not represented by the recipients of the BoP initiatives but rather, is driven in a top-down manner by advocacy groups and public policy makers. However, achieving broader active support from recipients should be in the interests of every government and non-government organization seeking to strengthen regulative protection and to facilitate development. Therefore, we argue that in this cacophony of voices, a key but fundamentally critical voice has been missing from the debate … the voice of the “poor”. There are several reasons why this voice is critical in understanding trade-offs. Firstly, understanding this voice is at the core of the transformative consumer research as well as the subsistence marketplaces literatures (Davis et al. 2016; Venugopal and Viswanathan 2016). Without insight into how the consumers think about firm’s trade-offs between making money and alleviating poverty, “transformative” research within the BoP would be difficult. For example, Schultz et al. (2012) argue that the key to sustainable consumer well-being is to transfer agency to local “poor consumers” in the Gandhian notion of “self-reliance”. Furthermore, the actual inclusion of BoP consumers in the dialogue and debate including trade-offs is not well developed in academic work, specifically in sustainability literature. Secondly, businesses have been targeted for exploiting consumers and more seriously, vulnerable consumers. For example, due to constraints in consumption and various other problems that poor consumers face, involvement of firms in this segment presents the opportunity for greater exploitation and a firm whose core value is only to maximize profit (instrumental logic) (Hahn et al. 2015) is likely to proactively exploit its poor consumer base (Voola and Voola 2012; Baker et al. 2005). The key argument of this paper is that the debates and discussion surrounding sustainability in the BoP, including trade-offs between poverty alleviation and profit maximization can be made more robust when all knowledgeable parties are involved—especially those facing poverty on a day-to-day basis (Nahi 2016).

14.4 Research Method

The consumers of microfinance loans were positioned as the experts and their experiences and perspectives guided the study (Venugopal and Viswanathan 2016). This meant that the research questions were to be explored inductively (i.e. rooted in the narratives of the interviewees). Therefore, constructivist grounded theory proffered by Charmaz et al. (2003) was chosen as it "assumes the relativism of multiple social realities, recognizes the mutual creation of knowledge by the viewer and the viewed, and aims towards interpretive understanding of subject's meanings" (Charmaz et al. 2003, p. 250). The emphasis in this method is to represent as faithfully as possible the words and experiences of the study participants whilst being aware of the inherent power imbalance in the researcher/participant relationship (Allen 2011). One of the core features of constructivist grounded theory is the constant comparison method which involves contemporaneous sampling, collecting and analysing data. This enables the researchers to identify if concepts and themes are repeating with little new information gained from successive interviews indicating that "saturation" has been reached (Morse 1994, p. 30).

14.4.1 Research Site

The field research was conducted in the Indian province (state) of Telangana (formerly Andhra Pradesh). The typical loan amount varied between INR 2000–12,000 to invest in simple micro-enterprises, for example, raising goats and buffalos to sell milk. Termed as income generation loans, they have a term of 50 weeks with principal and interest payments to be repaid on a weekly basis at an annual interest rate of 24.55%. All the consumers were chosen from the district of Medak, which has a total population of 2,670,097 people and was one of the earlier areas of intervention for the MFI. Medak is a drought-prone region with many impoverished villages wherein half of the population live on less than a dollar a day.

The reason for choosing this site was twofold—(i) Long-term presence meant that most of the clients in Medak were familiar with the activities and products offered by the MFI, and (ii) proximity to head office in Hyderabad made travel for data collection easier. Within this district, three different mandals (cluster of villages) were chosen in order to understand service delivery and outcomes in various sites. The mandals and consumers were chosen after multiple visits to weekly centre meetings, and offers were made to microfinance recipients to participate in the study. Additionally, the authors originally hail from Telangana which minimized language barriers during the recruitment and the conduct of interviews. Cultural familiarity enabled the researchers to be sensitive to the research context (Corbin and Strauss 2008) and preserve the authenticity of the participants' views. Interviews were conducted in the local dialect (Telugu) with the help of a voice recorder. These interviews were later transcribed and translated into English for further analysis.

14.4.2 Informants and Analysis

A purposive sample of 15 female BoP consumers was chosen. Most MFIs in India are gender-based programmes specifically targeting women. Consumers were recruited during their weekly group meetings where microfinance-related issues (repayments, new applications) were discussed. The study participants were selected based on the following criteria: (i) they should have spent more than six months as programme consumer, (ii) they should be knowledgeable about the microfinance programme and (iii) they should be willing to articulate the experience of being a microfinance programme consumer. These specific criteria were selected so that the participants would have spent enough time to reflect on the motivations for the firm to engage with them.

Data were analysed using the distinct features of the constructivist grounded theory method (GTM), i.e. constant comparison of data and seeking theoretical saturation of categories. In constant comparison, the transcribed interview transcripts were read repeatedly to identify patterns of similar and distinct data, coded and categorized as they emerge from the data unlike in quantitative research where preconceived codes and categories are applied to the data (Charmaz 2006). This process involved the initial coding where important information relating to the main research question was gleaned and put into general categories. For instance, two main categories of questions were analysed in order to answer the main research question: (1) why is this organization giving you the loan? (2) Does the organization benefit from giving you the loan? The responses to these questions were put into general categories such as "help", "create opportunity", "profit making", "unaware". These were again re-interpreted by the authors to determine relationships between the initial codes so to generate axial codes which could generate abstract theoretical descriptions whilst remaining "grounded" in the data. This iterative process continued until no new information could be gained from observing the data and theoretical saturation of categories was reached. The active interpretive and reflexive role of the researcher was a key part of the data analysis as knowledge was co-constructed by the researcher and the participant.

14.5 Findings

The "voices" of poor highlighted three broad themes providing insights into how recipients of a microfinance loan from a for-profit company interpreted the trade-offs. The first theme is labelled as "ambidextrous motivations", reflecting the opinion of the respondents on the motivations for the MFI to provide them with microfinance. The second theme revolves around whether the participants were "aware" that the MFI was a for-profit company and the third theme focuses on whether the identity or the "image" of the company has a role to play in how the participants reflected on their motivations, all of which provide insights into trade-offs and sustainability within BoP.

Four sub-themes were identified relating to the motivations for the company to engage with the participants by providing them with loans: (a) help; (b) provide opportunity; (c) obtain blessings from God; and (d) profit motivations. The overwhelming reason that the participants gave for why the company engaged in microfinance was to help them. The following statements highlight these altruistic intentions "*The company wants to help people like us*". A very strong factor that influenced the participant's perceptions of why they are engaging with them was that there was an altruistic motivation specifically when compared to other entities such as the government or the banks. As two respondents state:

> they (the MFI) want to see the welfare of the people. They wanted to help the people. As the government does not understand these things, they wanted to help us.

> To help the poor … will a bank officer be willing to lend Rs. 10,000 to someone who does not have capacity to repay? Or at least Rs. 2000? No. But our sangam (groups set up by the MFI), motivate people to start any small enterprise, like rearing a few hens. They provide Rs. 2000 and say that we can just pay back Rs. 1000 and make a profit of Rs. 1000. Will a bank officer ever do this? If you don't make monthly payments, they charge us fees. So, do you think they are helping us? Or is poverty being addressed? So, their goal is not to eradicate poverty. It's a business for them. But for sangams (groups), the objective is to eradicate poverty and that's why they are working in this way.

This emphasis on poverty alleviation is interesting because it is contrary to Varman et al.'s (2012) argument that BoP aligns itself more with profits than poverty alleviation as the argument that sustainability literature is dominated by an instrumental logic (Hahn et al. 2015), where the economic motivation is prioritized. In this case, poverty alleviation motivation dominates the profit motivation.

The notion that the company was motivated by the opportunities that the loans provided the poor was also raised. The following quotes highlight this point:

> "*… want us to live a better life*"; "*we are getting money and it is good for us as it has created an opportunity for everyone*" and "*when they are providing us with loans and we are able to work and have our daily food it is good for us. Because of the need for money some people have gone to the money lenders*".

The notion of opportunity creation is important in contemporary poverty alleviation strategies. There has been some debate about reconceptualizing poverty more broadly to include not only the economic aspects of poverty but freedoms and entitlements. Sen (1999) argues in his capability approach that the key to poverty alleviation is the expansion of "capabilities of people to lead the kind of lives they value—and have reason to value". Essentially, capabilities are options that people have, and functioning is the outcome. Nakata and Antalis (2015) have recently highlighted the value of this theory in the context of BoP. This suggests that firms engaging with the BoP should be proactively thinking about how their initiatives can provide opportunities in the sense of providing capabilities and freedoms. This opportunity creating response of the participants also links with the work relating to subsistence markets and the emphasis that the researchers place on the "poor" engaging in micro-enterprises and entrepreneurship (Venugopal and Viswanathan 2016). Another interesting reason that the participants gave for why the MFI was engaging with them was to obtain blessings from God. This is an important cultural aspect that companies engaging with BoP markets should be aware of. Therefore, within the sustainability context, companies must be sensible of defining the social dimension broader than just income, as capabilities and freedoms are also perceived to be important outcomes from the perspective of the BoP consumer.

Some participants also understood that there were profit motivations for the company engaging with them. The following quotes suggest their understanding of the profit motivations:

> "*… they get interest. They will obtain benefit and it will be an income generating programme for us, so it is good for both of us*" and "*it is a gain for us. They also will have some benefit. When you are giving us 10 rupees, and we are making that into 20 rupees. We are giving 5 rupees interest*".

However, there was also an understanding that it is not possible for the company to help them if they did not generate money, suggesting that in the process of alleviating poverty, it is reasonable to make profit. The following quote encapsulates this sentiment:

> In terms of benefit for the company, if they want to give money to sangams (groups), they need to get it from somewhere. They also need to pay salaries, right? So, if we make 25 paise (cents), then they make 50 paise (cents). Their workers start probably at 5 a.m. in the morning, they must pay for petrol, for their service, their food (as the recipients live in remote villages, the loan officers must use bikes to get there). Earlier they used to give them bikes and deduct some amount from their salary until it was paid off. Now I don't know if they are giving them bikes. If they want to continue their service, they can only do this if they are making a profit, right? This is universal; no one works if they do not benefit from it. There are so many "sirs" (company workers), they all must eat. Where will the money come from for that? So only if they can make a profit from this work, can they manage all these expenses.

An interesting finding from the interviews was the issue of whether they were aware the company is making profit whilst lending to them. Some participants did not know that the companies are making a profit. Typical replies included "*How do we know?*" and "*How will we know about them?*". However, an argument can be made from their responses that it was not very important to them whether they were making profits if they were being helped. For example, one participant said:

> "*We don't know why they are giving us loans. But we are taking the loan*" and "*what do we know about benefit for them? How will we know? We don't know from where they got the money. We can only see them giving us the money*".

These insights provide an interesting dilemma for firms at the BoP. Should they proactively let the recipients know about their profit motivations for the sake of transparency and honesty? As is expected in the developed countries, is this not important because they are ultimately helping the poor? This leads to ethical dilemmas as not disclosing may increase consumer vulnerability or "the state of powerlessness that arises from an imbalance in marketplace interactions?" (Baker et al. 2005) and ignores the "discursive curtain", as it does not allow for the considerations of unequal power relations by de-politicizing business initiatives within the poor community (Arora and Romijn 2011).

Several characteristics of the company were highlighted as important in the participants' beliefs of why they were provided microfinance. This MFI has had a long history of working in a specific village. For example, as one participant states:

> Even though many microfinance companies have come, (This MFI) has been in this area for 13–14 years. We have engaged with it for 10 years. (In our village) it has got a good name. Even if all the other companies go away, we want this one company to continue in the future.

This suggests that companies "need to prove" themselves in terms of their intentions for a while before the participants can trust in their motivations. Another critical characteristic is the empathy and customer orientation that the company showed towards the participants and the impact it had on the trust of the participants. For example, as one participant declares:

> during the loan period if something happens to the husband or wife, they will not trouble us anymore. Recently my sister-in-law's husband died, and they returned the whole amount. We can believe them.

This suggests that for companies engaging in these markets it is important to be empathetic and genuinely customer oriented by being flexible in the process of disbursing loans and collecting repayments. In this case, as suggested before, the participants engaged in an extensive comparison with other types of lenders (i.e. banks, government MFI's and money lenders). The key issues were the ability of the MFI to be flexible and empathetic as opposed to other models. One participant state:

> At the time of giving loans to us they did not question us about our land, house or how much money we have (collateral in the context of the company was by the pressure from the sangam or the group for a member to repay the amount). They simply gave us the loans. When we go to Banks, they ask us about all those things. They ask for the pass book. They will ask this and that. They make us go around them at least 10 times. And at the end they say no to our request.

Again, in the context of banks another participant stated "*A bank is not bothered if you are dead or alive, if you owe 8000 this month and have not repaid, next month you will be charged interest for both months. There is nothing of that sort here. Bank is not providing any such insurance, but here insurance is compulsory*". In relations to money lenders one participant stated "*Earlier we would get loans from moneylenders on high interest. This company was not charging as much, and this was useful for us*".

14.6 Discussion

Understanding how BoP consumers perceive trade-offs that companies face and how they reconcile these apparently contradictory objectives inherent in BoP initiatives is critical because evidence suggests that many of BoP efforts have not met their objectives. This is primarily because BoP strategy is removed from the local context, and BoP strategy takes a top-down approach which is not inclusive of the end consumers (Gebauer and Reynoso 2013). Our research employed a bottom-up approach and illustrated that BoP consumers engage in thinking of the potential trade-offs that companies must deal with when engaging in business with them. In some instances, they were not aware that the company is making money out of them, or this profit motivation was not important to them if they perceived the company to be committed to alleviate their poverty. BoP consumers valued this company because it was intentionally empathetic and customer oriented, in order to develop a long-term relationship, based on trust.

The BoP consumers interviewed suggested the company was engaging with them, because they wanted to help them, as opposed to making profits. This finding is at odds with the instrumental logic that highlights the prioritization of financial outcomes, as opposed to social outcomes (Hahn et al 2015) or that a focus on financial outcomes will lead to social and environmental objectives (Dentchev 2004). Additionally, BoP consumers who highlighted the profit motivation provided reasons why the company had to be profit motivated in order to best meet their needs. These findings suggest that companies must adopt an integrative view where they need to proactively engage with tensions and embrace organizational ambidexterity as an explicit objective. Furthermore, as BoP consumer prioritize social outcomes, they should make their strategy for achieving these social outcomes explicit to the BoP consumers, whilst simultaneously engaging in achieving their profit motivations.

The findings that some of the BoP consumers were not aware of the profit objectives of the company and that some consumers explicitly stated that all that matters to them is that they are being helped, raises important issues relating to consumer rights (Larsen and Lawson 2013) and consumer empowerment. An empowered consumer is characterized as having the knowledge and skills to engage in choice (Adkins and Ozanne 2005). In the context of consumer rights, although the declaration of human rights sets a minimum baseline of human rights to be met in some instances, it is difficult to guarantee these minimums, as poor people are characterized by chronic hunger, lack of education and the inability to meet basic needs of survival (Sachs 2005, p. 20). Furthermore, they are rarely empowered due to their vulnerability and live in communities that are characterized by unequal power relations (Arora and Romijn 2011). The BoP consumers have the right to be heard, informed and educated (Consumer International 2009). In fact, for the BoP consumers to be truly empowered, and for the companies to fulfil their consumer rights undertakings, they must clearly articulate all their motivations in engaging with them, including the profit motivations. As the findings demonstrate, the BoP consumers are not averse to companies making profits, in fact they themselves articulated why companies must be profit oriented in order to serve them. BoP consumers are no longer isolated from the work, facilitated by new knowledge and technologies, they are increasingly aware of broader global issues including the counter-intuitive proposition of making money and alleviating poverty at the same time.

The finding that the image of the company where the company genuinely understood the BoP consumers' needs appears to be crucial. Marketing literature provides ample guidance on applying market orientation both from a cultural perspective (Narver and Slater 1990) and a behavioural perspective (Kohli and Jaworski 1990). The literature suggests that a marketing orientation (Jebarajakirthy and Thaichon 2016) as well as trust (London et al. 2010) is critical in BoP markets. This becomes more important in the context of sustainability and related trade-offs as a market-oriented perspective intimately understands the BoP consumers' needs concerning the sustainability and related trade-offs and includes these insights in developing a BoP strategy.

14.7 Conclusion

At the core of sustainability strategy is how companies engage with the trade-offs between economic, social and environmental outcomes. Reconciling these trade-offs are difficult as characterized by tensions between opposing objectives. Understanding these tensions is even more important as many BoP initiatives have failed, and BoP consumers are characterized by poverty and vulnerability. Therefore, BoP companies that emphasize the profit motivations over poverty alleviation may have serious negative implications for the BoP consumer. To this end, this chapter adopted a "bottom-up" approach, and examined what BoP consumers thought about trade-offs between the profit and poverty alleviation motivations of a for-profit microfinance company. The key argument of this study is that the debates and discussions surrounding poverty and profit maximization can be made more robust when all knowledgeable parties are involved—especially those facing poverty on a day-to-day basis. This BoP voice becomes more important because "even the most benevolent government officials will not have full information about how their decisions and policies may affect individuals" (Pogge and Cabrera 2012, pg. 174). By examining the voices of 15 for-profit microfinance consumers, in the context of trade-offs, we contribute to the BoP literature on sustainability and trade-offs, which is a neglected area of enquiry.

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