

The better the purpose, the stronger the business?

A quantitative study of consumer reactions to a company purpose, and the impact of
perceived authenticity and consumer values

Abstract: The authors of this paper introduce four consumer value clusters (self-transcendence, self-enhancement, openness to change and conservation) as independent variables in a multiple linear regression analysis in order to investigate and clarify the process that leads customers to form their reactions after being exposed to a company purpose within the outdoor clothing category. The authors test a model that proves that consumers tend to have more positive reactions, in terms of (1) brand attitude, (2) purchase intention and (3) word-of-mouth intention, after being exposed to a company purpose, controlling for all other factors. Results from the quantitative study with 591 Swedish respondents also show that perceived authenticity mediates the relationship between a company purpose and consumer reactions, and that consumer values are advantageous to consider for marketing segmentation, as they explain differences among consumers in how they react to a purpose. The thesis proves that the consumers' level of self-transcendent values affects their reactions but are unable to prove that such a relationship exists for the other value clusters in the model. Altogether, the thesis provides insights into an undiscovered academic research area, together with learnings to managers and other practitioners in how to best develop and use a company purpose.

Keywords: Company purpose, corporate purpose, CSR communication, perceived authenticity, attribution theory, value theory, consumer values

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Definitions

Company purpose	A concrete goal or objective for the firm that reaches beyond profit maximization (Henderson & Van den Steen, 2015).
Corporate purpose	For the purpose of this thesis, it refers to the same definition as company purpose but to ease the reading flow of the thesis, these two are used interchangeably.
Consumer reactions	For the purpose of this thesis, it refers to consumer reactions related to the sender (i.e. company) after being exposed to a company purpose.
Communication of purpose	For the purpose of this thesis, it refers to when consumers are being exposed to a purpose.
CSR	Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders (UNIDO, 2020).
Values	The collection of beliefs and principles that indicate the importance customers give to different ideas in their lives, which they base their decision-making processes on (Fraj & Martínez, 2006).
WOM	Word-of-mouth (WOM) is an informal mode of communication about the evaluation of products and services between consumers who are independent of marketers (Arndt, 1967; Dichter, 1966; Wee et al., 1995).

1 Introduction

This section presents the background of company purpose and identifies a need for further research on the consumer reactions to a communicated purpose and the impacting role of consumers' values and perceived authenticity. Thereafter, the research purpose, expected knowledge contributions, delimitations and thesis outline are presented.

1.1 Background

Over the last couple of years, there has been a big shift in the world of brands and their relationship with customers (Lynxeye, 2019). In an era of radical visibility, people have got the power to stand up for their opinions and beliefs on a grand scale (Accenture, 2018). Companies are under the spotlight like never before and consumers do not only make purchase decisions based on quality or price, they are now also assessing what brands say, what they do and what they stand for (Accenture, 2018). It is believed that intangible investments, such as the investments made to develop and fulfil a company purpose, is what today differentiates companies and can provide competitive advantages (Edmans, 2016). In fact, it has been shown that brands with a clear and higher purpose, that take responsibility for common interests such as the environment or equality, have created a strong business impact (Lynxeye, 2019). An example of a brand that epitomizes what it means to be purpose-driven is outdoor clothing company Patagonia. Patagonia has always been environmentally conscious and the company keeps leaning further into environmental activism where they, for about a year ago, changed their mission from a product/purpose hybrid of “Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis” to the clear purpose-driven statement “Patagonia is in business to save our home planet” (Sonsev, 2019).

Public discourse about purpose increased fivefold between 1995 and 2014 (EY, 2018) and there is an increasing demand for purpose-driven brands (Roderick, 2016). According to Accenture, 62 percent of consumers want companies to stand up for the issues they are passionate about (Accenture, 2018). It has also been shown that consumers increasingly consume, recommend and connect themselves with brands that also serve a purpose to create a better world (Hsu, 2017). For example, 84 percent of Americans say they would be likely to switch brands to one that is associated with a good cause, if price and quality are similar (Sen & Bhattacharya, 2004).

There are many reasons for why we see this shift in branding towards a more purpose-driven approach. The increasing commitment to corporate purpose is partly spurred by the growing understanding that consumers, a key stakeholder group, reward good corporate citizens (Du, Bhattacharya & Sen, 2007). Additionally, globalization is increasingly separating people from their national identities (Fritz & Schoenmueller, 2017) and we also see a rapid increase in number of serious crises (Lynxeye, 2019), such as climate change and not to mention, the current Covid-19 pandemic. This ever-changing context increases consumers desire for authenticity and continuity, where trust is becoming more important than ever (Minar, 2016). Also, consumers increasingly aspire to give meaning to their consumption, and companies conveying immaterial values could provide this meaning (Kapferer, 2012). Further, conscious businesses inspire, engage and energize its employees, customers and other stakeholders and earns their trust, which results in value creation and increased benefits for all stakeholders (Edmans, 2016; Hsu, 2017).

In regard to trust, both researchers and practitioners mean that people trust and prefer brands that share their values (Accenture, 2018; Kotler, 2011; Lynxeye, 2019). This way of choosing is increasing and people, to a higher degree, want the brands they buy from to share their values (Kotler, 2011). Consumers have even been starting to boycott brands that do not align with their values (YouGov, 2017). Take for instance the recent heated debate about SAS's newly released online ad, suggesting that nothing is truly Scandinavian (SAS, 2020). The ad shows how things that are typically associated with Scandinavia are actually imported from abroad and SAS said the main message was about how travel enriches and alters people's lives (SR, 2020). However, reactions online were harsh and politicians from Sweden, Norway and Denmark, mostly from nationalist or far-right parties, have called for a boycott against SAS and as a response, the airline's marketing director explained the importance of brands standing out and sticking to their espoused values and purpose (ibid.). This is a great example of how values seem to be a source of division rather than unity, not just globally but also within countries and regions.

Finally, with an increasing popularity comes also increasing critique of the purpose-driven approach. The critique can at large be divided into people that think that brands do not live up to their purpose and those that do not share the values communicated (Resume, 2016). Companies have been criticized for "goodwashing", using prosocial movements, such as the feminist movement, to increase sales (Martell, 2018). The consuming public has developed a

thicker skin, searching for evidence that companies are not just playing tricks to get them to buy more stuff (Meehan, 2015). Because of this, contradictory voices have been raised about the risks for companies communicating their purposes. In order to successfully gain the benefits a purpose is said to bring, it is vital for companies to be perceived as authentic and for their purposes to be anchored in the business and daily operation (Resume, 2016).

1.2 Problematization

The purpose-driven movement is gaining momentum and an increasing amount of companies choose to communicate their purposes to consumers (Lenderman, 2017). Customers scream for companies that care, and the companies respond by spending millions on development and communication of purposes.

However, despite the attention that purpose has received in recent years, and despite the myriad of trade publications on the topic, limited academic research on consumer reactions as a result of a communicated purpose has been done so far (Gartenberg et al., 2016; Hsu, 2017). Business researchers have typically conducted their investigations of corporate purpose within other fields, such as corporate governance, management and leadership (Burns, 1978; Davies, 1999; Ellsworth, 2002; Springett, 2004; Springett, 2005). Nonetheless, corporate purposes communicated externally to consumers has not been as frequently examined (Hsu, 2017) and no research has, to our knowledge, been conducted on whether communicated purposes influence customer reactions and how this process looks like. Given the fact that companies are spending great amounts of time and money on developing and communicating their purposes, knowledge about this in a consumer marketing context is considered necessary to obtain in order for the companies to capitalize on the investments. Moreover, customers are one of the most important stakeholder groups for a company, further amplifying the need to understand their reactions to a purpose.

For companies to be able to develop as effective purposes as possible, it will not be enough only observing whether a purpose affects the consumer or not. Instead, it is vital to understand what makes consumers react the way they do when being exposed to a purpose. If companies can understand this, they will better be able to target the consumers with their purposes. As previously mentioned, one of the biggest reasons for the increasing consumer demand for

purposes, according to practitioners, is consumers desire for authenticity (Minar, 2016). Moreover, practitioners claim that the better the communicated purpose align with the consumers' personal values, the more positive attitudes the consumers will have towards the company (Accenture, 2018; Lynxeye, 2019).

Even though the purpose-related research on both consumer reactions, authenticity and values is limited, studies have been conducted in adjacent areas, such as Corporate Social Responsibility (CSR). In regard to this research area, the relationship between consumer reactions and CSR initiatives, perceived authenticity and consumer values has been examined (Laroche, Bergeron & Barbaro-Forleo, 2001; Bigné, Currás, & Sánchez, 2009). This research indicates that both perceived authenticity and consumer values impact the way consumers perceive CSR activities, which justify the study of consumer psychological features as a complement to socio-demographic characteristics for marketing segmentation (Anderson & Cunningham, 1972; Roberts, 1996; Lee et al., 2012). We believe that, if there are customers that are more socially oriented than others, it makes sense to believe that they also process purpose information in different ways and thus will react differently to a communicated purpose.

If perceived authenticity and consumers' own values do impact consumer reactions to a purpose, this would imply that a purpose per se is not always a success factor. Instead, it is advantageous for the company to make sure that the purpose is perceived as genuine and in line with the consumer's personal values to have maximum positive impact. This would have managerial implication for the development of a purpose, since it would amplify the importance of segmenting and targeting customers based on their values, and not only on socio-demographic variables as many companies do today (Pérez & Rodríguez-del-Bosque, 2013). Identifying how consumers react to exposure to a company purpose and how they process this information is especially relevant for management executives, consultants and other marketing professionals, because it will allow them to define their business activities and communications better, in order to make them more effective.

To summarize, it is relevant for both practitioners and researchers to understand if a purpose improves consumer reactions towards a company, and if perceived authenticity and the consumers' personal values influence these reactions. However, without any empirical studies on how a communicated purpose affects consumer reaction, there is no clear answer to the

question. Therefore, there is an evident need to further investigate the effects company purposes have on consumer reactions.

1.3 Purpose of the study

The main purpose of this study is to investigate the effects a communicated purpose has on consumer reactions, and the impact perceived authenticity and consumers' personal values have on these reactions. This is to further grasp whether a company purpose is always beneficial for a company, and in what way companies can adapt their purposes to increase the positive effects. We aim to contribute to the increased understanding of the impact a purpose has on for-profit companies and by this add to the limited academic research that currently exist on the topic. Regarding the effects on consumer reactions, this thesis aims to explore a communicated purpose's impact on brand attitude, purchase intention and word-of-mouth (WOM) intention. Furthermore, it aims to examine the role perceived authenticity plays in shaping consumers reactions to a purpose. Additionally, the study aims to explore whether consumers' own values do impact consumer responses to a communicated purpose.

To summarize, this thesis aims to answer the following research question:

Does a purpose lead to more positive consumer reactions, and do perceived authenticity and consumers' personal values influence this relationship?

1.4 Expected knowledge contribution

The increased popularity of companies having and communicating company purposes to a greater extent has received attention both from researchers and practitioners. However, regarding the effects a purpose has on consumer reactions, the academic research is still limited, especially regarding the impact of perceived authenticity and consumer values. Thus, the absence of research on the topic demands further examination. Therefore, this study wants to expand the current research on company purpose, which will be done through a quantitative survey-based experiment on Swedish consumers. Furthermore, this thesis builds on theory about CSR and consumer reactions, attribution processes, authenticity and consumer values. Thus, knowledge contributions are anticipated to be made to these existing research areas as neither theory have, to our knowledge, been explored within a corporate purpose context before.

By investigating whether consumers' reactions, in terms of brand attitude, purchase intention and WOM intention, can be affected by a communicated purpose, and if perceived authenticity and consumer values impact this relationship, the study is expected to contribute to the growing body of research on purpose-driven communication, which still is a relatively unexplored area. By considering the role that consumers' own values play in relation to their reactions to a communicated purpose, we also aim to contribute to existing theories on consumer values by addressing the possible link between purpose perception, consumer values and consumer reactions in a new purpose context.

Except from the theoretical contribution, we also expect our findings to have implications for management, executives, brand managers, consultants and other marketing professionals considering in what ways a purpose does benefit an organization. Further, we expect the results of the paper to assist these people in better segmenting the market in order to adapt their purpose and communication strategies and make them more effective.

1.5 Delimitations

To start with, the thesis is only exploring three different types of purposes, namely the social issues of environmental protection, gender equality and inclusiveness. Even though companies tend to connect their purposes to a social issue and there is legitimate evidence for testing the three purposes that are tested in this study (see section 3.3.2 *Choice of social issues*), a purpose per definition does not have to be related to a social issues. This means that when referring to purpose in the results, discussion and conclusion sections of this study, it refers to purposes related to social issues concerning environmental protection, gender equality and inclusiveness. Even though this breadth increases the potential of generalization of the findings, the study is yet delimited to these specific social issues depicted in the stimuli. However, since prosocial purposes are most common and seem to dominate the academic literature, investigation of these types of purposes is considered most relevant, both from an academic perspective but also from the perspective of practitioners (Roderick, 2016; Rodriguez Vila & Bharadwaj, 2017).

Furthermore, the study is only conducted within the outdoor clothing industry. Even though there is a logic reasoning behind the choice of industry (see section 3.3.3 *Choice of industry*), there are reasons to believe that different types of product categories and industries are

differently evaluated by consumers. For example, it has been shown that when CSR information is present, it will become part of the cognitive processing done before making a purchase decision, indicating that consumers process prosocial information to a greater extent for high involvement purchases (Pomeroy & Dolnicar, 2009). Moreover, certain industries are perceived as less credible in focusing on social issues, for example airline or tobacco companies, due to the lack of social focus in their core business model. This means that the results of this study are delimited to the retail industry and specifically to the outdoor clothing product category.

Moreover, the study only investigates consumer reactions to a purpose communicated on a company's website and more particularly, in the "About us" section, which means that only communication where the company itself is the sender will be considered, and that possible effects of the sort of the media format are outside the scope of this study.

Finally, even though the purpose-driven movement reaches across the globe, this study is delimited to the Swedish market with Swedish respondents. Sweden is a country at the forefront of the purpose-driven movement and according to a report made by venture capital firm Atomico, one of ten purpose-driven start-up companies in Europe are from Sweden (Atomico, 2019). The fact that Swedish consumers are used to purpose-driven communication might impact the results of this thesis. However, time constraint in combination with limited access to respondents resulted in a single nation sample.

1.6 Research outline

This thesis is divided into six sections and begins with the *Introduction* outlining the background of the purpose-driven movement and presents the problematization of the research area. The section continues with a description of the purpose of the study, followed by the study's expected knowledge contributions and delimitations. The *Theory and generation of hypotheses* presents existing theories and prior research on the subject and outlines the hypotheses that will be tested. The section concludes with a visual representation of the proposed theoretical model and a summary of the generated hypotheses. Thereafter, the *Method* section describes the used methodological approach and the reasoning behind these methodological choices applied to answer the research question. The section ends with a discussion on the reliability and validity of the experiments. In the *Results and analysis* section,

the findings from the study are presented followed by the *Discussion* section, where the results are discussed in relation to prior research. Finally, the *Conclusion* section summarizes the key findings and the research question is answered. Theoretical, managerial and further implications for the results are discussed and the thesis concludes with a discussion about the study's limitations followed by proposals for future research on the area of corporate purpose.

2 Theory and generation of hypotheses

This section covers the existing research on company purpose and outlines the theoretical framework used to generate hypotheses. Initially, an overall introduction to company purpose is presented. Thereafter, hypotheses of suggested consumer reactions to a company purpose together with the influencing role of perceived authenticity and consumer values are presented.

2.1 Company purpose

2.1.1 Purpose conceptualisation

‘People do not buy what you do; they buy why you do it. And what you do simply proves what you believe.’ (Sinek, 2011)

Corporate purpose has gained momentum during the last decade (Hsu, 2017). However, corporate, or company, purpose could be perceived as a vague concept that is hard to define and there is no settled definition, either within academic or practitioner literature (Gartenberg et al., 2016). It also tends to be confusion around the differences between a purpose and a company's mission. A mission addresses how to undertake a strategy to carry out the purpose statement, while the purpose lacks this execution focus (Hsu, 2017). Furthermore, the mission statement tends to be internally focused, i.e. on the organization, while a purpose statement is externally focused, e.g. explains whom the organization tries to serve (ibid.).

In academic literature, different definitions of purpose have been offered over time. For example, Bartlett and Ghoshal (1994) define purpose as “the statement of a company’s moral response to its broadly defined responsibilities, not an amoral plan for exploiting commercial opportunity.” Further, Thakor and Quinn (2013) define purpose as “something that is perceived as producing a social benefit over and above the tangible pecuniary payoff that is shared by the principal and the agent”. What unites these various definitions is the vital aspect of the inherent intangibility of a purpose, where a purpose seen as a set of common beliefs that are held by and shared among a company’s different stakeholders. Essentially, a company's purpose explains why the company exists and the impact it seeks to make in the world (Hsu, 2017).

However, purpose does not need to be explicitly prosocial. According to Oxford Dictionaries (Lexico, 2020), purpose is defined as “the reason for which something is done or created or for

which something exists”. Henderson and Van den Steen (2015) define purpose as “a concrete goal or objective for the firm that reaches beyond profit maximizations”. In this study, we adopt this broader view of a corporate purpose, seeing a purpose as a set of beliefs about the meaning of a company’s existence beyond quantitative measures of financial performance.

2.1.2 Purpose and performance

According to prior research, a strong sense of purpose could positively impact company performance through different mechanisms. For example, it might increase employee effort and productivity because of higher employee satisfaction and engagement (Gartenberg et al., 2016). Literature has also shown that employees that perceive their work as more meaningful exhibit higher job performance, organizational citizenship behaviour and organizational commitment and identification (Michaelson et al., 2014). If those characteristics ultimately influence firm performance, consistent with evidence showing that companies with a higher employee satisfaction tend to perform better in the future (Edmans, 2011), then purpose will be related to performance at the firm level. Moreover, a purpose could be a mechanism to mitigate short-term pressure on companies (Gartenberg et al., 2016). By signalling a purpose to investors, which indicates a long-term perspective, this can as a result lead to a more long-term oriented investor base (Ton, 2014).

On the other hand, the perceptions of the benefits with a purpose contrast with a long-standing argument that a company’s sole purpose is to maximize profits and thus shareholder value (Friedman, 1961). For example, some studies argue that companies that emphasize a strong societal purpose undertake unproductive investments because managers capture private benefits as a result (Brammer & Millington, 2008; Cheng, Hong & Shue, 2013). This implies that any focus on corporate purpose that is not explicitly focused on shareholder returns represents, at best, a distraction for employees. Given these opposing arguments, there is no consensus regarding the relation between purpose and performance.

Even though the academic world has not agreed on the impact that a purpose might have on organizational performance, the purpose-driven movement is gaining momentum and practitioners are claiming that a communicated purpose does impact consumer behaviour. However, as discussed in section *1.1 Introduction*, purpose is a rather unexplored subject in the academic consumer marketing literature. As research on consumer reactions to purpose is still

limited, the theoretical framework used in this thesis to generate hypotheses regarding consumer reactions and influencing variables is largely based on research related to the adjacent concepts of CSR. The reasoning for this follows below.

2.1.3 Purpose and CSR

A closely connected concept to corporate purpose is corporate social responsibility (CSR). CSR is not the same as purpose because CSR initiatives does not say much about what is meaningful about the corporation at large (Aitken, 2017). While CSR focuses on a company's commitment to behave ethically and integrate social and environmental concerns into its operations (UNIDO, 2020), purpose is the core and enduring motivation at the heart of a company. Therefore, purpose can be viewed as a facilitator for achieving a sustainable society and thus the close connection to CSR. These differences between purpose and CSR motivate extended research on the effects of a company purpose, since it would generate new valuable insights relevant to both practitioners and researchers. However, there are still many similarities between the two concepts, e.g. the focus on contribution beyond profit connected to a social issue and the fact that CSR initiatives often is a part of a company's purpose proposition. Because of this close connection between purpose and CSR, and the fact that there is no existing research on purpose in a consumer marketing context today, research on CSR will be used to formulate the hypotheses of this study. The learnings from adjacent concepts is a part of the deductive approach where established research provide valuable guidance in the exploration of new concepts (Bryman & Bell, 2015).

As mentioned, it has been substantially more research done about the effects companies' CSR initiatives might have on consumers, compared to purpose. Perceived CSR values are for example a significant predictor of purchase intentions (David, Kline & Dai, 2005). Moreover, research shows significant heterogeneity across consumers in their reactions to CSR initiatives, indicating that what works for one consumer segment does not work for another (Bhattacharya & Sen, 2004). A growing body of research are also demonstrating that, assuming all else is constant, consumers are more likely to purchase from companies that engage in CSR actions, especially in cases where they experience a high degree of fit between the company and the CSR cause, as well as when they experience the cause as personally relevant (Du, Bhattacharya & Sen, 2007).

However, research further shows that consumers' reactions to a company's CSR communication are determined not only by the message, but also by inherent characteristics in the consumers themselves. From a marketing perspective, researchers have devoted special attention to identifying customer features to use in the segmentation of CSR markets and to learn how these characteristics might define the consumer-CSR link (Pérez, 2013). Scholars have identified significant differences in the way consumers relate to CSR, based both on their socio-demographic and psychological characteristics (Kelley, Ferrell, & Skinner, 1990; Roberts, 1996; Quazi, 2003).

Consumer socio-demographic features have for long been the fundamental pillar of marketing segmentation (Perez, 2013). Nevertheless, there are many researchers who conclude that socio-demographic features are insufficient to characterize today's socially oriented customer (Tsalikis & Ortiz-Buonafina, 1990; Roberts, 1996; Dickson, 2001). It appears that psychological features also have significant impact on the consumer-CSR link (Laroche, Bergeron, & Barbaro-Forleo, 2001; Bigné, Currás, & Sánchez, 2009). For example, when making decisions, collectivists tend to a greater extent take into consideration CSR dimensions, compared to individualists (Waldman, de Luque, Washburn & House, 2006). Similarly, innovative customers are believed to be more involved in CSR when evaluating a company (Dietz, Kalof, & Stern, 2002). These facts justify the study of customer psychological features as a complement to socio-demographic characteristics for marketing segmentation (Anderson & Cunningham, 1972; Roberts, 1996).

2.2 Suggested consumer reactions to a communicated purpose

To understand consumer reactions to a communicated purpose, brand attitude, purchase intentions and WOM intentions are studied. Attitudes are especially interesting to investigate in the context of marketing communication since it has been shown that attitudes form intentions and behaviours (Fishbein & Ajzen, 1977; Ajzen & Fishbein, 1980; Küster-Boluda & Hernández-Fernández, 2012). Thus, it exists a natural link between the three dependent variables, why they are considered relevant to use in the study. However, due to the lack of access to purchase data or data on actual behaviour, the thesis focus on attitude and intentions as dependent variables.

2.2.1 Brand attitude

Attitudes are a popular research topic in marketing studies, mainly because attitudes are useful in predicting consumer behaviour (Mitchell & Olson, 1981). Attitude refers to what a person likes and dislikes, favours or disfavours, supports or opposes, views positively or negatively (Petty & Brinol, 2010). Mitchell and Olson (1981) defines attitude toward the brand as an “individual’s internal evaluation of the brand”. Research suggests that, if a brand is to be successful in the long-term, it needs equity in terms of a favourable brand attitude that extends beyond the product (Modig, et al. 2014). Brand attitude is essential for marketers to acknowledge since it represents consumers’ overall evaluations and is also said to predict purchase intentions (Mitchell & Olson, 1981). It has been shown that there exists a clear link between consumers’ attitudes and consumers’ behaviour, since attitudes influence intentions which in turn is an indicator of behaviour (Fishbein & Ajzen, 1977; Ajzen & Fishbein, 1980). There has also been prior research showing that consumers are capable of forming an opinion about a brand even when the brand name or logo is not presented, based solely on communication (Åkestam, Rosengren & Dahlen, 2017), which makes it a legitimate variable to measure in the setting of this thesis. Further, for the purpose-driven context, attitudes are especially interesting and relevant to academically investigate since there is no research on the topic, but practitioners continuously claim that such a relationship exists.

There is a large body of research suggesting that a company’s CSR behaviour can positively affect consumers’ attitudes towards the brand (e.g. Drumwright 1996; Brown and Dacin 1997; Sen and Bhattacharya 2001; Lichtenstein et. al., 2004; Kumar et al., 2019). When consumers believe that a company has mandate to engage in CSR, and when the company do this in an authentic way, they tend to create favourable attitudes (Kumar et al., 2019). Furthermore, Lii and Lee (2012) found that there is a strong relationship between brand attitude and purchase intention in the context of CSR. Building on this, it makes sense to believe that a communicated purpose leads to consumers’ having a more positive brand attitude when exposed to a company purpose, due to the similarities between a purpose and CSR (see section 2.1.3 *Purpose and CSR*).

2.2.2 Purchase intention

Purchase intentions can be described as personal action tendencies relating to a brand (Bagozzi et al., 1979; Ostrom, 1969). Intentions are distinct from attitudes in the way that attitudes are a

summary of evaluations, while intentions represent a person's motivations to carry out a behaviour (Spears & Singh, 2004). Thus, Spears and Singh (2004) defines purchase intentions as "an individual's conscious plan to make an effort to purchase a brand (Spears & Singh, 2004). According to Fishbein and Ajzen (1975), attitudes influence behaviour through behaviour intentions and the relationship between consumer attitudes and purchase intentions have gained significant empirical support within marketing research (Spears & Singh, 2004). However, even though previous research has shown that attitude towards a brand and purchase intention are correlated (Shimp, Stuart & Engle, 1991), intentions still figure as an imperfect predictor of future consumer behaviour (Namias, 1959; Morwitz, 2012). This suggests that one should be careful drawing too general conclusions regarding the relationship between purchase intention and actual purchase.

Previous CSR-related research shows that consumers tend to have higher purchase intentions for products from companies with stronger CSR engagement (Pickett-Baker & Ozaki, 2008; Sen & Bhattacharya, 2001). Some consumers even seek to make purchase decisions based on a company's role in society and its level of social corporate responsibility (Auger, Burke, Devinney & Louviere, 2003; Marin, Ruiz & Rubio, 2009; McEachern, Warnaby, Carrigan & Szmigin, 2010). It is also shown that consumers with high CSR involvement have a higher purchase intention, indicating that consumers with high CSR involvement are more positively influenced by their perceptions of a company's CSR activities (Gimmer & Bingham, 2013). Regarding company purpose, there is a lack of empirical evidence on the link between purpose and consumer purchase intentions. However, the previous research regarding CSR discussed gives reasons to believe that such a relationship exists also for purpose, where a company purpose results in higher purchase intentions.

2.2.3 WOM intention

Word-of-mouth (WOM) is an informal mode of communication about the evaluation of products and services between consumers who are independent of marketers (Arndt, 1967; Dichter, 1966; Wee et al., 1995). WOM is said to play an important role in shaping consumer attitudes and behaviours (Brown & Reingen, 1987; Cronin & Taylor, 1992) and consumers tend to search for information from other consumers to make better informed decisions (Berger, 1988; Jolson & Bushman, 1978). The extent to which WOM affects consumers evaluation of

objects depends on whether the consumer perceives the information as credible or not (Burnkrant & Cousineau, 1975).

Additionally, WOM is seen as an indication of true customer loyalty (Arndt, 1967; Reichheld, 2003). WOM intentions are considered to be superior measurements of loyalty because they lead to real loyalty and a type of loyalty that is not dependent on routine patterns or the lack of alternatives but that depends directly on the commitment of customers to companies (Bloemer et al., 1999). Therefore, WOM intentions are key indicators of positive customer attitudes towards companies (Cronin & Taylor, 1992). According to previous research, customers have more positive loyalty intentions, and thus WOM intentions, when they are aware of a company's CSR activities (Brown & Dacin, 1997; Sen & Bhattacharya, 2001; He & Li, 2011). A study made of Khan et al. (2015) found that CSR perceptions have a direct and positive effect on WOM intentions, thus showing direct impacts of CSR on customer attitudes. Due to the importance of WOM intention discussed above, together with the link between WOM and CSR perception, it is hypothesized that a communicated company purpose leads to greater WOM intentions, why this is a relevant variable to investigate. Moreover, the purpose-driven movement is to a large extent spread by consumers and their increasing demand for brands that care. In this new, highly transparent landscape, WOM has the power to both make or break a company why it is relevant to investigate further.

To summarize, the previous research provides support for the proposition that a communicated purpose, and the associations and reactions it evokes, positively influences brand attitude, purchase intention and WOM intention. This reasoning results in the following hypothesis:

The link between a communicated purpose and consumer reactions

H1: A communicated company purpose generates (H1a) higher brand attitude, (H1b) stronger purchase intentions and (H1c) stronger WOM intentions, compared to the absence of a communicated company purpose.
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2.3 Suggested impact of perceived authenticity and consumer values

As discussed in the previous sections, research shows that CSR initiatives affect consumer reactions in terms of brand attitude, purchase intentions and WOM intentions. Nevertheless, scholars have suggested that the transfer does not occur equally in all situations, but diverse

circumstances mediate the formation of CSR perceptions (Hoeffler & Keller, 2002; Becker-Olsen, Cudmore & Hill, 2006; Ellen, Webb & Mohr, 2000; Bigné, Chumpitaz & Currás, 2010). Two influencing factors that have been investigated in previous research are *perceived authenticity* (Sparkman & Locander, 1980; Gorn & Weinberg, 1984) and *consumer values* (Pérez & Rodríguez-del-Bosque, 2013). Since both consumers' demand for authenticity, and consumers' personal values are hot topics for practitioners, it is relevant to further explore these variables to see whether perceived authenticity and consumer values do influence the relationship between a communicated purpose and consumer reactions.

2.3.1 Authenticity

In order to investigate the relationship between perceived authenticity and consumer reactions, motivational attribution theory will initially be used as framework. This because motivational attribution theory has exploratory value in understanding how consumers process information.

2.3.1.1 Motivational attribution theory

Motivational attribution theory explains how consumers make sense of the reasons behind outcomes and describes individuals' desire to interpret information to identify causes (Kelley, 1973). Thus, attribution theory explains how people make causal explanations and answer questions starting with a "why". Rather than seeking the true cause, attribution theory is focused on phenomenal causality, i.e. the perceived cause (Weiner, 2010).

Motivational attribution theory assumes that individuals are social perceivers who make causal inferences about what they observe and experience (Rifon et al., 2004). Based on this, researchers have developed models of how perceived market intentions shape consumer response to persuasion attempts, particularly within the field of CSR (Friestad & Wright, 1994). In this context, attribution refers to the reasoning consumers engage in when trying to understand why a company engages in a CSR activity, which determine the extent to which the consumer will react positively to that same activity (Bhattacharya & Sen, 2004). Consumers have been identified to either attribute company-serving or socially public-serving motives to explain why companies support different causes, which in turn affects the perceived authenticity and attitudes towards the company (Forehand & Grier, 2003; Rifon et al., 2004). A lack of congruence between a company and its CSR cause would trigger consumers to attribute company-serving motives to the CSR actions, leading to a less authentic perception

of the company (Hastie, 1984). However, the attribution process is highly individualistic, where different consumers make different causal explanations for the same events (Bhattacharya & Sen, 2004). This can be explained by the fact that consumers make sense of company communication through the lens of self (Haley, 1996).

2.3.1.2 Perceived authenticity

As discussed above, the attribution process is said to affect perceived authenticity towards a company (Forehand & Grier, 2003; Rifon et al., 2004). Company authenticity has been conceptualized as the perceived genuineness of the brand in terms of its stability, consistency and uniqueness, together with the ability to keep its promises (Fritz et al., 2017). In the attribution process, consumers judge whether the image that the brand prevails reflects what the brand “really” is. The authenticity perception increases when consumers attribute public-serving motives behind a company’s actions (Cinelli & LeBoeuf, 2019). Therefore, a key success factor when a company engages in CSR-related activities is to convey public-serving motives behind the engagement (Du & Bhattacharya, 2010).

Furthermore, authenticity is influenced by the level of consumer-brand identification (Kates, 2004; Fritz et al., 2017), which also enhances the brand legitimacy (Fritz & Schoenmueller, 2017). This process is described as the degree to which a consumer views similarities between herself and the brand (Rifon et al., 2004). Consumers actively seek authenticity to find meaning in their lives that goes in line with associated personal goals (Emmons, 2005). In this process, it has been shown that consumers prefer brands that reinforce their desired identity where the cultural fit of the company’s values and norms and those of the consumer is important (Kates, 2004; Beverland & Farelly, 2010). It is therefore crucial for companies to understand the values of the target customers in order to incorporate these norms within the company (Fritz et al., 2017). Taken together, consumers care less about what firms are doing than about why they are doing it (Ellen et al., 2006).

Based on these discussions, motivational attribution theory and perceived authenticity are relevant to consider when examining the relationship between a communicated purpose and consumers’ reactions, as they provide explanatory power for understanding consumer attitudes and intentions related to CSR activities (Sparkman & Locander, 1980; Gorn & Weinberg,

1984)¹. It is therefore hypothesized that the influence of authenticity on consumer reactions also holds in the context of company purpose, why the second hypothesis reads as follows:

The mediating role of perceived authenticity

H2: The effects of a communicated purpose on **(H2a)** brand attitude and **(H2b)** purchase intentions and **(H2c)** WOM intentions are mediated by perceived company authenticity.

2.3.2. Consumer values

Consumer values refer to the collection of beliefs and principles that indicate the importance customers give to different ideas in their lives, which they base their decision-making processes on (Fraj & Martínez, 2006). In other words, values work as guiding principles and influence attitudes and behaviours across a wide range of contexts. Moreover, values vary in importance between different individuals and have for a long time been used to explain the motivational bases of attitudes and behaviours at large (Schwartz, 1992).

Even though research on the link between consumer values and behaviours is limited compared to research about the link between attitudes and behaviour, which is more common in marketing research, values have proven to be important in how consumers perceive companies and company actions (e.g. Verplanken & Holland, 2002; Zasuwa, 2016; Pérez & Rodríguez del Bosque, 2013). The primary motive for investigating values rather than attitudes is since values can be applied to a wider variety of behaviours (Schwartz, 1992; Verplanken & Holland, 2002). For example, if a person believes that the value of security is very important, this will affect a varied set of behaviours such as striving for safety at home, at work and while driving (Eyal et al., 2009). Therefore, research proposes that values can influence behaviours in

¹ The mediation analysis as an analytical tool is put to criticisms mainly because it lacks explanatory power of causality (Fiedler, 2011). This means that even if perceived authenticity is a significant mediator in the analyses it cannot be taken as evidence that the variable is a causally effective mediator. This should be taken into consideration as a source of error when analyzing the results from the conducted mediation tests. Moreover, it is not evident that perceived authenticity must be a mediator, the variable could also for example be a moderator (ibid.). Nevertheless, mediation analysis as described by Zhao et al (2010) was used to understand the role of perceived authenticity in a purpose setting because perceived authenticity is hypothesized to explain the relationship between a company purpose and consumer reactions.

multiple situations since they are fewer in number and more stable over time, compared to attitudes (Rokeach & Ball-Rokeach, 1989; Karp, 1996).

Furthermore, personal values have been broadly used to characterize customers in their relationship to CSR (Laroche, Bergeron & Barbaro-Forleo, 2001; Fraj & Martinez, 2006; Waldman, de Luque, Washburn & House, 2006). When the consumers' own values matches that of the company it enhances the consumer-brand identification, and a fit between the consumer values and the company values has been proven to lead to more favourable company attitudes (Sen & Bhattacharya, 2001; Rifon et al., 2004). Moreover, personal values have been shown to moderate consumer responses to perceived organizational motives behind social initiatives (Zasuwa, 2016). Pérez and Rodríguez del Bosque (2013) have found support for that consumers' psychological traits influence the consumers attribution process of CSR perceptions. For example, consumers' values of collectivism and novelty seeking are shown to impact the relationship, as these characteristics make consumers vary in how they react to company CSR actions (Pérez & Rodríguez del Bosque, 2013).

Consumers with a high level of values related to collectivism are characterized by being interdependent (Cleveland, Kalamas & Laroche, 2005). According to Yoo (2009), collectivists define themselves in terms of their relationships with other people, centring their own definition on the groups to which they belong. Thus, the degree to which a customer feels linked to other people has a direct impact on the shaping of their personality, which also determines customer behaviour (Yoo, 2009). There are numerous scholars who point out the importance of collectivism when attempting to define customer CSR orientation (Grunert & Juhl, 1995; Vitell, Paolillo & Thomas, 2003; Laroche, Kalamas & Cleveland, 2005). Similarly, Vitell, Paolillo and Thomas (2003) show that collectivists have a greater CSR orientation than individuals with lower scores in this value, and Laroche, Kalamas, and Cleveland (2005) show that information processing is significantly different between individualists and collectivists, the latter using a more holistic mechanism of information processing.

Scholars have demonstrated that, when compared to other personal values, collectivism has the greatest influence on customer purchase behaviour (Triandis, 1993). Customers with a high level of values related to collectivism show better loyalty intentions compared to consumers with a high level of values related to individualism (Yoo, 2009). Chomvilailuk & Butcher (2014) confirmed that collectivism has a positive effect on the relationship between CSR

perceptions and customers' company attitudes. Consumers with a high level of values related to collectivism are also especially sensitive to greenwashing activities, because they pay greater attention to motivational attributions than individualist customers (Pérez & Rodríguez del Bosque, 2013).

Another important characteristic is consumers' values of novelty seeking, which are related to experimentalism and describe people who like to try new things and face current and stimulating challenges (Pérez & Rodríguez del Bosque, 2013). According to Phau & Teah (2009), the novelty seeking consumers are characterized by their curiosity to try different things and their need to experiment with new products. The validity of this value for marketing segmentation has been widely confirmed, mainly in areas related to technological innovation and the new information and communication technologies, among others (Dutta-Bergman, 2002; Chan & Leung, 2005). The relationship to CSR is more indirect for novelty seeking values, especially compared to values such as collectivism or individualism (Pérez & Rodríguez del Bosque, 2013). However, the research of Pérez and Rodríguez del Bosque (2013) shows that customer novelty seeking moderates the formation process of CSR perceptions. Consumers who are more conservative elaborate less thoughtful perceptions of CSR activities, since they do not consider as many heuristics as highly innovative customers do (Pérez & Rodríguez del Bosque, 2013).

The research on values has however not been expanded from the area of CSR to that of company purpose. Hence, we consider that, since there are customers that are more socially oriented than others, it gives reason to believe that consumers also process information about a purpose similarly and thus vary in their reactions towards a company.

2.3.2.1 Schwartz values theory

Regarding research on pro-social and pro-environmental behaviours, Schwartz's value theory is the most elaborate and validated theory (Tal, 2014). Schwartz (1992) describes values as "a desirable trans-situational goal in varying importance, which serves as a guiding principle in the life of a person". He suggests that values can be classified in a value system showing the conflict and congruity among values depending on if they share the same broad motivational goal (see Figure 1) (Schwartz, 1992). The theory identifies ten basic personal values; hedonism, achievement, power, security, conformity, tradition, benevolence, universalism, self-direction

and stimulation, where individuals differ substantially in value priorities among the ten (Schwartz, 1992). The ten values can be divided into four separate value clusters; self-transcendence, self-enhancement, openness to change and conservation (De Groot & Steg, 2008). Due to the high legitimacy and applicability of Schwartz values theory, it will be used as a framework in the thesis in order to measure and conceptualize consumer values.

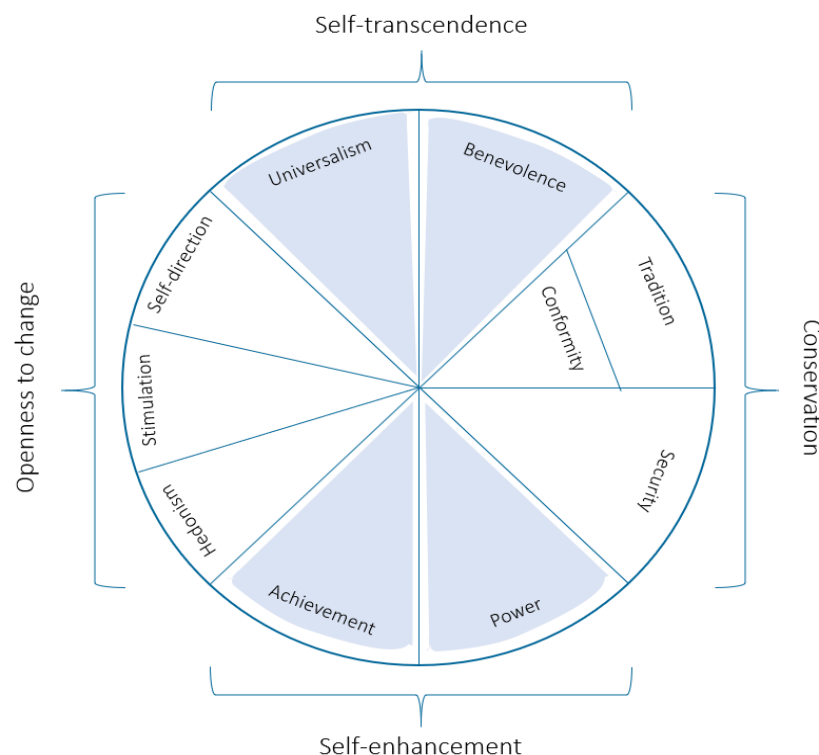


Figure 1 – Schwartz's model of values (2012)

2.3.2.2 Self-Transcendence

Self-transcendent values are concerned with the welfare and interests of others, where the value cluster constitutes of universalism and benevolence values (Schwartz, 1992). For *universalism*, the defining goal is to understand, appreciate, tolerate and protect the welfare of all people and for nature (ibid.). Universalism is defined as the degree to which a customer is concerned with the interests of other people instead of giving priority to his/her own goals (López et al., 2006) and includes value items of social justice, equality and protection of the environment (Schwartz, 2012). The value of *benevolence* is related to wanting to preserve and enhance the welfare of those with whom one is in frequent personal contact (Schwartz, 1992). It includes

value items of helpfulness, loyalty, honesty and responsibility (Schwartz, 2012). Values related to self-transcendence have been shown to have a connection to both pro-social and pro-environmental behaviours, making this value cluster especially interesting for this study (Dietz et al., 1998; Karp, 1996; Dietz et al., 1995; Stern & Dietz, 2010; Schwartz, 1992).

Based on Schwartz definitions of values related to self-transcendence, we can observe great similarities to the collectivist values discussed above (see section 2.3.2. *Consumer values*). Therefore, it makes sense to believe that consumers with a high level of values related to self-transcendence will react more positively to a communicated purpose. This leads to our third hypothesis, that reads as follows:

The link between values related to self-transcendence and consumer reactions

H3: Consumers with a high level of values related to self-transcendence are more likely to have **(H3a)** more positive brand attitude **(H3b)** stronger purchase intentions and **(H3c)** stronger WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to self-transcendence.

2.3.2.3 Self-enhancement

Values related to self-enhancement emphasize the pursuit of one's own interest and dominance over others (Schwartz, 2012). The value cluster consists of the values achievement and power. The defining goal of *achievement* is personal success through demonstrating competence, according to social standards (Schwartz, 1992). The central goal of *power* values is attainment of social status and prestige, with a control or dominance over people and resources (Schwartz, 2012). Both values related to achievement and power focus on social esteem (Schwartz, 1992). However, the former emphasizes the active demonstration of competence in a concrete interaction, while the latter emphasize the attainment or preservation of a dominant position within the more general social system (ibid.).

Values related to self-enhancement are opposing values related to self-transcendence (Cleveland et al, 2005), which can also be observed in Figure 1. Therefore, it makes sense to believe that consumers with a high level of values related to self-enhancement will react more negatively to a communicated purpose. This leads to our fourth hypothesis, that reads as follows:

The link between values related to self-enhancement and consumer reactions

H4: Consumers with a high level of values related to self-enhancement are more likely to have (**H4a**) more negative brand attitude (**H4b**) weaker purchase intentions and (**H4c**) weaker WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to self-enhancement.

2.3.2.4 Openness to change

Values related to openness to change emphasize independence of thought, action and feelings and readiness for change (Schwartz, 2012). Openness to change are highly similar to novelty seeking as both describe experimentalism and people that like to try new things and to face stimulating challenges (Pérez & Rodríguez del Bosque, 2017). This value cluster consists of values of hedonism, stimulation and self-direction. People that value *hedonism* find it important to give pleasure or sensuous gratification for oneself, they want to enjoy life and self-indulge (Schwartz, 2012). Moreover, *stimulation* values derive from a need for variety, stimulation, excitement and challenge in life (Schwartz, 2012). Finally, *self-direction* is a value based on a need for control, mastery and autonomy, for example to choose your own goals and being independent in life (ibid.).

Based on Schwartz's definition of values related to openness to change, great similarities to novelty seeking values, as discussed in section 2.3.2. *Consumer values*, can be observed. This gives reasons to believe that consumers with high level of values related to openness to change will react more positively to a purpose. This leads to the fifth hypothesis, as reads as follows:

The link between values related to openness to change and consumer reactions

H5: Consumers with a high level of values related to openness to change are more likely to have (**H5a**) more positive brand attitude (**H5b**) stronger purchase intentions and (**H5c**) stronger WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to openness to change.

2.3.2.5 Conservation

Values related to conservation emphasize order, self-restriction, preservation of the past and a resistance to change (Schwartz, 2012). The value cluster consists of conformity, tradition and security values. *Conformity* values derive from the requirement on individuals to emphasize self-restraint in everyday interactions with others, acting for example with self-discipline and politeness (ibid.). It means restraint of actions, inclinations and impulses likely to upset or harm others and violate social expectations or norms (Schwartz, 1992). The motivational goal of *tradition* values is commitment, respect and acceptance of the custom and ideas of culture or religion (ibid.). *Security* values derive from basic individual and group requirements of safety, harmony and stability of society, relationship and self (ibid.).

Values related to conservation are the opposite to values related to openness to change, which can also be observed in the framework (see Figure 1). Therefore, it makes sense to believe that consumers with a high level of these values will react more negatively to a communicated purpose. This leads to our sixth hypothesis, as reads as follows:

The link between values related to conservation and consumer reactions

H6: Consumers with a high level of values related to conservation are more likely to have (**H6a**) more negative brand attitude (**H6b**) weaker purchase intentions and (**H6c**) weaker WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to conservation.

2.4 Compilation of hypotheses

The six hypotheses generated from the existing research are presented summarized below.

The link between a communicated purpose and consumer reactions

H1: A communicated company purpose generates (**H1a**) higher brand attitude, (**H1b**) stronger purchase intentions and (**H1c**) stronger WOM intentions, compared to the absence of a communicated company purpose.

The mediating role of perceived authenticity

H2: The effects of a communicated purpose on **(H2a)** brand attitude and **(H2b)** purchase intentions and **(H2c)** WOM intentions are mediated by perceived company authenticity.

The link between values related to self-transcendence and consumer reactions

H3: Consumers with a high level of values related to self-transcendence are more likely to have **(H3a)** more positive brand attitude **(H3b)** stronger purchase intentions and **(H3c)** stronger WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to self-transcendence.

The link between values related to self-enhancement and consumer reactions

H4: Consumers with a high level of values related to self-enhancement are more likely to have **(H4a)** more negative brand attitude **(H4b)** weaker purchase intentions and **(H4c)** weaker WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to self-enhancement.

The link between values related to openness to change and consumer reactions

H5: Consumers with a high level of values related to openness to change are more likely to have **(H5a)** more positive brand attitude **(H5b)** stronger purchase intentions and **(H5c)** stronger WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to openness to change.

The link between values related to conservation and consumer reactions

H6: Consumers with a high level of values related to conservation are more likely to have **(H6a)** more negative brand attitude **(H6b)** weaker purchase intentions and **(H6c)** weaker WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to conservation.

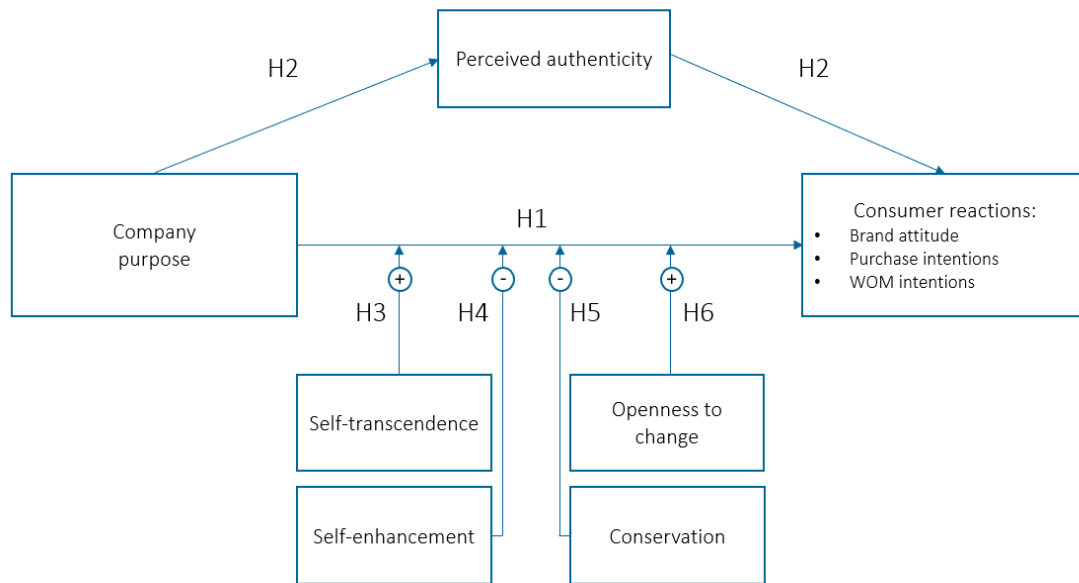


Figure 2 – Visual representation of the proposed theoretical model

3 Method

The methodological approaches of the study are presented and motivated in the following section. The chapter begins with a description of the research approach, followed by an explanation of the conduction of the pre- and main studies. The section ends with a critical discussion of the data quality by examining its reliability, validity and replicability.

3.1 Research approach and theory collection

The study follows a deductive research approach, where existing theory was used to develop hypotheses (Bryman & Bell, 2015). The deductive approach is applicable since the area of having a company purpose is relatively unexplored in academic literature, while connected research fields could be studied in order to generate hypotheses (ibid.), for example the research area of CSR. Consequently, there are valid reasons for the choice of using a deductive approach, however the method has limitations. One such limitation is that the focus on the research question makes the collection of data more constricted and limited (Jacobsen, 2002). An inductive approach could have shed light on other viewpoints, especially since the deductive approach already is the most common in marketing research (Holbrook & O'shaughnessy, 1988).

In line with the deductive research approach, a assessment of earlier research and theories was initially done, both in order to build hypotheses and also answer the study's research question in a parallel process (Bryman & Bell, 2015). Keywords in the search of relevant research included company purpose, corporate purpose, CSR, consumer values and authenticity. In relation to the theory collection process, the hypotheses of the thesis were discussed and reviewed in conjunction with a greater understanding of the research field.

3.2 Research design

The thesis uses an experimental, case study design where experiments were conducted using a fictitious case company within a specific situational context (Bryman & Bell, 2015). The experimental design is appropriate since it permits for manipulation of independent variables making it possible to determine causal effects on dependent variables and mediators (ibid.). A condition in order to claim these causal effects is the random assignment of participants into either the treatment or the control group (Gray, 2004), which the method ensured through a

digital randomization tool. Another reason behind the choice of the experimental design is that the consumers might not be conscious of their own psychological processes and reactions that takes place when being exposed to a company purpose. Nevertheless, the experimental design makes the processes possible to study regardless of the respondents' level of awareness (Rosengren & Dahlén, 2013). Finally, using experiments increases the generalizability, where the results can be extrapolated to a population with similar characteristics as the sample used (Malhotra, 1999; Bryman & Bell, 2015). This allows for further implications to be drawn regarding having a company purpose.

3.3 Pre-studies

3.3.1 Pre-study 1: Social issues, industry and product category

The conduction of the first pre-study was done in order to find three social issues, an industry and a product category that would be suitable to use in the development of the stimuli for the main study.

3.3.2 Test of social issues

The aim of the first pre-study was to find social issues that both reflect issues commonly used by companies in purpose-driven communication today and that are relevant to many individuals and thereby reflect their values. Based on these criteria, a list of ten current social issues was compiled based on the United Nations (2020) global issues overview, these were then to be tested regarding the issues' relative perceived level of importance in a purpose context.

The survey tool Qualtrics was used to distribute the questionnaire, which was done through Facebook, thereby generating a convenience sample. The survey got 36 complete responses that were collected between March 3rd and March 7th. In the questionnaire, the respondents were asked how important they find the ten different social issues, by distributing 100 points between the social issues giving the most points to the issue they find most important. The result (see Appendix 1) showed that the respondents care most about *Gender equality*, *Environment* and *Inclusiveness* ($M_{\text{gender}} = 22.83$, $M_{\text{environment}} = 18.75$, $M_{\text{inclusiveness}} = 13.83$). Furthermore, these three social issues stood out as being substantially more important than the remaining seven.

Three social issues were considered appropriate since more general conclusions about the impact of having a company purpose incorporating a social issue would be possible to draw, compared to using only one social issue, while still having a handleable amount of data. However, the aim with the thesis is to investigate the effects of having a company purpose in general, and not the effects from purposes promoting specific social issues. Therefore, the three chosen social issues were combined in the following analyses with tests comparing the one treatment group to the control group without a purpose. The three social issues showed little variance in how the respondents reacted to them which legitimized the decision to combine them into one analysed treatment group.

3.3.3 Test of industry

In addition to finding suitable social issues, the first pre-study aimed to find an industry to be used in the stimuli for the main study. The goal was to identify an industry that respondents consider suitable and appropriate to incorporate social issues in their company purpose. The goal was to make the experiment as close to a real-life scenario as possible. The chosen industry should moreover be an industry where it is common for companies to engage in social issues, again in order to reflect the real-world setting.

Based on the criteria above, a list of twelve industries were compiled based on the companies that Swedes find the most purposeful (Lynxeye, 2019). These industries have prominent companies that have successfully implemented a company purpose. In the pre-study the respondents were asked for their perception regarding the appropriateness of a company within that industry to engage in a social issue. The answers ranged from very inappropriate to very appropriate on a 7-point Likert-type scale. The results showed that retail was considered the industry most legitimate to engage in social issues and was thus the one used in the main study ($M_{\text{retail}} = 6.03$). See Appendix 1 for full list of tested industries and their respective means from the pre-study.

3.3.4 Test of product category

In order to make the stimuli texts less abstract and more like a real consumer-company interaction, it was judged appropriate to not solely depict a company within a particular industry, but to also include a specific product category to make the stimuli even more concrete.

Outdoor clothing was judged as appropriate for several reasons. Firstly, practitioners claim that purpose is less important for companies producing basic and essential products such as laundry detergent, compared to brands that offer an experience and engage consumers directly in an ecosystem of activity and connections (Accenture, 2018), which outdoor clothing is believed to do. Secondly, outdoor clothing company Patagonia is seen as one of the most purpose-driven brands in the world, as discussed in section *1 Background*, giving legitimization to the product category at large to incorporating purposes.

3.3.5 Pre-study 2: Stimuli development

The second pre-study aimed to construct and test that the manipulation of the stimuli was correctly interpreted by the respondents.

3.3.6 Development of stimuli

The stimuli were developed based on the results from the first pre-study and inspired by examples of companies incorporating purposes with social issues today. Three fictitious “About us” texts were constructed with a stated company purpose promoting each of the three identified social issues from the first pre-study. Apart from the promoted social issues, the three stimuli texts and the control text without a purpose were identical. See all the stimuli texts in Appendix 2. The fact that the control text was shorter in length due to the absence of a company purpose could violate the internal validity, see further discussion on this in section *3.6 Quality of data*.

By using a fictitious company, the results were controlled for prior company associations, which could otherwise influence the results (Lee et al., 2010). The name “Company X” was furthermore used to ensure that no prior associations to real company names would influence the consumers’ perception of the stimuli. The “About us” page of the company website was used as setting for the stimuli. This because it is a common place for companies to inform the reader about the purpose of the company. The “About us” page was therefore judged as appropriate, since it would more closely imitate a real-world setting. There are however limitations to the use of the “About us” page, discussed in section *6.4 Critique and limitations*.

3.3.7 Test of stimuli

The second pre-study was conducted in order to control that the manipulation of the stimuli with either a purpose or without a purpose was satisfactory, i.e. that the respondents perceived that a purpose was present in the intended stimuli (Perdue & Summers, 1986). The program Qualtrics was again used to distribute the second pre-study through Facebook, this time between March 18th and March 22nd. The second pre-study got 68 complete responses, which corresponds to 16 to 20 answers for each of the four stimuli. In the questionnaire of the pre-study, the respondents were randomly assigned to one of the four stimuli texts. The survey described a company selling outdoor clothing, either with a purpose based on gender equality, inclusiveness or environmental protection (treatment group) or without a purpose (control group). See Appendix 2 for the four different stimuli used in the second pre-study.

The manipulation check of perceived purposefulness was measured through three different statements (see section 3.4.2.1 *Perceived purposefulness* for the three questions measuring perceived purposefulness), measured on a 7-point Likert scale. The respondents answers measured the degree to which they agreed with the statements, ranging from “strongly disagree” to “strongly agree”. The three questions showed a high internal consistency with a Cronbach's alpha of .87, why they were combined into an index measuring perceived purposefulness.

An independent-samples t-test showed that the purpose-driven stimuli was perceived as significantly more purposeful than the control stimuli ($M_{\text{purpose}} = 5.73$, $M_{\text{control}} = 2.60$, $p < .001$). This result also holds for each of the treatment stimuli separately, where the means of perceived purposefulness were significantly higher for both the environmental purpose ($M_{\text{environment}} = 5.76$, $p < .001$) the gender equality purpose ($M_{\text{gender}} = 5.69$, $p < .001$) and the inclusiveness purpose ($M_{\text{inclusiveness}} = 5.74$, $p < .001$). These results show that the manipulation of the stimuli was successful, meaning that the constructed stimuli texts can be used in the main study of the thesis.

Table 1 - Results of manipulation check of perceived purposefulness in pre-study 2

Group	Manipulation	N	Mean	St. Deviation	t	p
Total sample	Purpose-driven	52	5.73	0.68	13.15	.00***
	Control group	16	2.60	1.21		

Significance level: *** $p \leq .001$

3.4 Main study

In order to answer the research question, the main study used an experimental research design where the data was compiled through a self-completion questionnaire (Bryman & Bell, 2015). The following chapter goes through the applied survey design, how the scales and measures were conducted together with the recoding of variables, as well as a description of the data collection process.

3.4.1 Design of survey

Before the survey design was finalized and sent out to respondents, it was pilot tested on a couple of people (N=6), as proposed by Bryman & Bell (2015). The final survey consisted of eight main blocks, see Appendix 3 for a full reproduction. Every question had forced answers, obliging the respondents to answer all questions in order to complete the survey. To increase the predictive validity, multi-item questions were used as far as possible (Diamantopoulos et al., 2012), while controlling for keeping the time to answer the survey under 10 minutes, as suggested by Cooper and Schindler (2011). The items used to measure each of the questions are described in section 3.4.2 *Scales and measures*.

In the first block, the respondents were introduced to the survey with a message describing that it was conducted for a master thesis and that participation was anonymous. After this, the respondents were asked to fill out demographic information in the second block, stating their age and gender. This chronological structure was used because the third block consisted of the Portrait Value Questionnaire (PVQ), which is a recognized method for measuring values, where respondents either got a male or female version based on their answer in block two (Schwartz, 2012). After being advised by data experts at Norstat, the option “other” for gender

was excluded due to the rare usage of this by respondents. The PVQ was placed before the respondents were allocated to the treatment or control groups, this in order to limit the risk of earlier questions influencing the respondents' answers of later questions in the survey (Bradburn et al., 2004).

The stimuli texts were randomly shown to the respondents in the fourth block, either an "About us" company text consisting of a stated company purpose building on gender equality, inclusiveness or environmental protection, or to the control group featuring an "About us" company text without a purpose. The respondents were told that they were internet shopping for outdoor clothing and therefore visited Company X's web page. There, they were told that they went into the "About us" tab to learn more about the company. In the fifth block, after being exposed to the treatment or control stimuli, all respondents got the same questions. The block started with an attitude question, asking for the respondents' view of the company they just read about. After that, control questions covering the same manipulation check used in the second pre-study (perceived purposefulness) were asked. Thereafter, the respondents were asked to rate how authentic they perceived the company to be. The sixth block of the survey consisted of intention questions, where the respondents were asked how likely it was that they would engage in certain actions. Finally, the survey ended with a control question asking which product category the text depicted, in order to ensure that the respondents accurately understood the stimuli text.

3.4.2 Scales and measures

The following chapter describes in detail the scales and measures used in the survey design. Firstly, the questions were translated into Swedish because the respondents of the survey were all Swedish speakers. Multi-item scale question batteries were combined into index variables, where an internal consistency showcasing a Cronbach's alpha of the level of $> .70$ were accepted (Schmitt, 1996). Alpha values and numbers of items for each index variable are reported in Appendix 4.

3.4.2.1 Values

The Portrait Value Questionnaire (PVQ) was used to measure consumer values. The PVQ is an evolvement of the original Schwartz Value Survey developed by Davidov, Schmidt and Schwartz (2008), that is more appropriate for online surveys. Translation of the PVQ to

Swedish was done in accordance to previous research from Ivanisevic and Nordenstedt (2009). The PVQ is built on descriptions of different, fictions people and their respective goals and characteristics, which then indirectly measures the importance of specific values (Schwartz, 2008). For each of the descriptions, the respondents are asked to rate how much they are like the person being described (ibid). The answers range on a six-point semantic scale from “not like me at all” to “very much like me” (Davidov et al., 2008).

The questions were computed into four value clusters as suggested by Schwartz (2012), capturing the mean rating of each of the value categories. The value indexes were constructed from five questions measuring *self-transcendence*, four questions measuring *self-enhancement*, six questions measuring *openness to change* and finally six questions measuring *conservation*, where the coding was done in accordance to Davidov et al. (2008). The internal reliabilities of the value clusters were relatively low, with Cronbach’s alphas of .79 (self-enhancement), .773 (openness to change), .68 (self-transcendence) and .65 (conservation). However, the low alphas are acceptable according to Schwartz & Rubel-Lifschitz (2009), because the PVQ measured the value at large with its full scope. Moreover, the alpha levels are still accepted at the lower acceptance level of alphas >.60 (Bagozzi & Edwards, 1998).

3.4.2.2 Perceived purposefulness

Perceived purposefulness was measured through three questions; “Company X has a clear purpose”, “Company X advocates something that is positive for the society”, and “Company X is a purposeful corporation”. These were measured on a three-item seven-point Likert scale ranging from “strongly disagree” to “strongly agree”. The questions were combined into an index, since they had a high internal reliability with a Cronbach's alpha of .84. Since there are no previous research on perceived purposefulness in a company purpose context, the question battery could not be based on existing theory.

3.4.2.3 Perceived authenticity

The question battery measuring perceived authenticity was constructed from three questions: “Company X genuinely wants to contribute to the issue they engage in”, “Company X is an authentic company” and “Company X doesn't really care, but only wants to make money”. Respondents were asked to rate how well they agreed with the statements about the company. The answers were measured on a three-item seven-point Likert scale ranging from “strongly

disagree” to “strongly agree”. The questions measuring perceived authenticity had a Cronbach’s alpha of .76, why they were combined into an index. When combining the questions into an index, the last statement was reversely re-coded to make a higher mean correspond to a more positive view of the company and thereby making the questions in the index compatible.

3.4.2.4 Brand attitudes

The brand attitude was measured through questions from Allen & Janiszewski (1989) where the respondents were asked to rate their opinion of the company, based on the text they just read. The answers were measured on a seven-point semantic differential scale with the labels “bad/good”, “negative/positive” and “unfavourable/favourable”. The questions were combined into an index showing a satisfactory internal reliability with a Cronbach’s alpha of .81.

3.4.2.5 Purchase and WOM intentions

Purchase intention was measured using the question “If you were in the market for outdoor clothing, how likely is it that you would purchase it from this brand?” (Chapman & Aylesworth, 1999). The answers ranged from “unlikely/likely” and were measured on a seven-point semantic differential scale. WOM intention was measured through the question “I want to recommend the brand”, with the options “do not agree at all/completely agree”, on a seven-point semantic differential scale (Modig et al., 2014).

3.4.3 Collection of data

The data collection for the main survey was done through an online questionnaire managed by Norstat, which is a company specialized in data collection, data management and data reporting². Their online panel consists of people solely recruited by personal invitation (Norstat, 2020). The data was collected between March 27th and April 6th where the questionnaire was distributed to the panel through an online platform. The questionnaire got 600 responses where nine individuals failed to correctly answer the control question and were consequently excluded to guarantee qualitative data. The final data set had 591 responses where all respondents lived in Sweden when they answered the survey. The final sample consisted of 48 percent women and 52 percent men. The age of the sample ranged from 15 to 74 years, with a mean age of 50.

² Norstat provided the data for free in exchange for being mentioned in the thesis.

Table 2 - Main study respondent demographics³

	Environment	Inclusiveness	Gender equality	Control	Total sample
Number of respondents	149	150	147	145	591
Age median	51	47	52	50	50
Gender (%) f/m	51/49	48/52	46/54	48/52	48/52

3.5 Analysis of data

3.5.1 Analytical tools

The software program IBM SPSS Statistics version 26 was used as analytical tool in order to analyse the collected data and thereby answer the research question of the thesis. The data was directly transferred from Excel for processing and analyses, which lowers the risk of mistakes in the data entry method (Bachard & Pace, 2011). In order to assure the quality of the data, preliminary data checks were conducted, as described in the section that follows.

3.5.2 Data quality checks

The hypotheses were tested through independent-samples t-tests, mediation analysis through the add-on program Hayes PROCESS macro for SPSS and multiple linear regression. The data was tested for the assumptions that need to prevail in order to perform the statistical tests before conducting them. The Kolmogorov-Smirnov test was used in order to assess normal distribution of the applicable variables. Moreover, no problematic multicollinearity or heteroscedasticity was shown in the data. Finally, a 95% confidence level of significance was used in order to assess whether the hypotheses were accepted or not (Fischer, 1926).

The survey was distributed and compiled by Norstat that also conducted several data quality checks before passing on the dataset. Norstat mainly focuses on the quality of the panel respondents, rather on the quality of individual surveys. Firstly, this is done through panel

³ No variables apart from age and gender were measured, which were used to ensure a representative sample. The lack of further demographical analyses is due to the focus on psychological characteristics. More research is therefore encouraged to investigate whether age, gender or other demographical variables affect how consumers react to a company purpose.

loyalty programs, incentive systems and gamifications. Secondly, they use a cheater detection algorithm that produces a cheater score as guidance when they compile the panels. For individual surveys, the system detects and warns about suspicious responses, and employees at Norstat then look further into this. Suspicious responses are based on a combination of response time, straight-lining and unfinished answers. Thus, respondents were controlled for “speeding” through the survey which would be an indication of inattentiveness and incorrect answers that could pose biases in the data. These respondents were detected through abnormally fast completion times. Straight-liners were also analysed and removed. This quality check process ensured 600 high-quality responses delivered from Norstat.

As a final check, the quality of the answers was ensured through a control question, see Appendix 3. The question asked which product category that Company X sold. Nine respondents failed to correctly answer the control question and were consequently removed from the dataset. Thereby, the data was cleaned from respondents that were subject of violating the data quality, resulting in a final dataset of 591 respondents.

3.6 Quality of data

There is of high importance to examine the degree to which the research conducted provides an accurate description of reality and that it measures what was intended, which is why an assessment of the reliability and validity of the thesis follows (Bryman & Bell, 2015).

3.6.1 Reliability

Several factors were taken into consideration in order to increase the reliability of the thesis, hence if the collection method and analyses would give similar results if replicated (Bryman & Bell, 2015). The study was conducted in a structured and methodological way in order to limit mistakes or the risk of making inaccurate assumptions (ibid.). Furthermore, the methodology is described in detail in order for the reader to replicate the steps and to autonomously be able to judge the reliability of the method used in the thesis (Saunders et al., 2012). The detailed description of the procedures also enhanced the replicability of the thesis (ibid.).

One way to assess the dependability of the study is to conduct the same survey numerous times and thereby measure its stability in producing the same results (Bryman & Bell, 2015). Due to time constraints this was not possible, however the conduction of two pre-studies increases the

reliability (ibid.). In order to lower the threat of subject or participant error, the data has been quality controlled as described in section 3.5.2 *Data Quality Check*. Finally, the chosen main theoretical frameworks of the thesis; motivational attribution theory and Schwartz value theory, have been widely used in academia and are considered reliable foundations (Chryssohoidis et al., 2012; Martinko et al., 1995). Using measurements previously adapted from earlier studies strengthens the reliability of the methodology and results (Bryman & Bell, 2015).

Moreover, the Cronbach's alphas are accepted at a level of > 0.70 (Schmitt, 1996), ensuring that the multi-item scales indexes are measuring the underlying variable (Bryman & Bell, 2015). However, in the case of the PVQ scale used to assess individual values, the Cronbach's alphas are below the set level, something that could violate the reliability of the thesis (Söderlund, 2010). This is nevertheless acceptable for the specific case of the value indexes (Schwartz, 1992), as discussed previously. Moreover, the alpha levels of these value clusters are still accepted at the lower acceptance level of alphas $>.60$ (Bagozzi & Edwards, 1998). Furthermore, the Cronbach's alphas display satisfactory internal reliability for the remaining indexes used. Based on this evaluation, the reliability of the thesis is considered satisfactory.

3.6.2 Validity

Numerous threats of the validity for the thesis were ruled out through the methodological design in order to ensure that what was intended to be measured really was measured (Söderlund, 2005). Firstly, several factors have been taken into consideration in order to ensure that the differences in effects between treatment and control groups are not caused by chance, in order to increase the *statistical inference validity* (Lynn & Lynn, 2003). Two such precaution is only accepting scales with sufficient alpha levels and having a large sample sizes of 591 valid responses (ibid.).

Since previous research of consumers view of a company purpose is scarce, there were no predefined measures of purposefulness nor authenticity related to company purpose. This bias could potentially harm the *measurement validity*, which shows whether the measures used reflects the reality (Bryman & Bell, 2015). Remaining questions are however from previous research that are considered to be recognized measures. Another potential harm to the measurement validity is the translation from English to Swedish in the main survey. However, the translation of the PVQ were adapted from Ivanisevic & Nordenstedt (2009) which lowers the risk.

The *internal validity* refers to the extent to which the findings in the thesis can be accredited to the manipulation in the stimuli (Bryman & Bell, 2015). The random assignment of the respondents to one of four stimuli texts is a requisite for internal validity to be reached (Campbell & Cook, 2002). Moreover, the stimuli “About us” texts were the only difference between the groups, which is why the difference in outcome variables between control and treatment groups can be attributed to the actual stimuli and its manipulation (Bryman & Bell, 2015).

However, the control text did not have a purpose-section and was thus shorter in word length. The mere fact that the control stimuli was shorter might have affected the respondents, regardless of the existence or non-existence of a company purpose. This is because the three longer stimuli texts could signal a higher perceived effort. In a communication setting, perceived effort describes the amount of money, managerial time and hard work invested in the communication (Söderlund et al 2017; Modig et al., 2014). Based on this, the results could be affected, which is to be regarded as a source of error and a take-away for further research.

The *external validity* of the thesis refers to the extent that the results can be generalizable beyond the specific research context to other settings and can therefore be reduced if the experiment differs from the situation in the real-world (Bryman & Bell, 2015). Due to this, the stimuli texts were designed in order to imitate a real company purpose. However, to make the experiment completely mirroring a real-life setting would have been too time consuming. For example, the “About us” stimuli text could have more closely looked like a real company webpage, which would have increased the external validity.

The sample is moreover not representing the whole population, which limits the generalizability. However, using consumer panels is proven to be a better prediction than for example a convenience or student sample, since it consists of heterogeneous respondents from varied demographical, geographical and socio-economic groups (Cook et al., 2002). Furthermore, the results are more generalizable due to the use of three different purpose claims (Malhotra, 2008), rather than just one, hence limiting the risk that the effects are specific to only one of the social issues. However, the results cannot be extended beyond the setting of having a company purpose expressed in the “About us” section on the company’s webpage to some other communication channel. Due to the risks discussed above, together with using an

experimental study design in general, it can be concluded that the study's external validity is acceptable but put to certain risks.

The *ecological validity* refers to whether the findings are applicable to people's everyday natural setting (Bryman & Bell, 2015). The design of the experiment is based on findings from the first pre-study, and thereby on companies and industries that consumers perceive as legitimate to incorporate purposes in their business strategies, which increases the ecological validity of the study. Furthermore, the "About us" texts used in the stimuli were inspired by how real companies communicate their purpose. However, using a real brand for the studies would have increased the ecological validity even more (Dahlén et al., 2009), but for the reasons discussed above, a fictitious company minimizes the risk of prior associations affecting the results.

4 Analysis and results

This chapter aims at answering the thesis' research question by presenting the results based on the analysis of the collected data. Also the rejected hypothesis will be presented in order to avoid misinterpretation of causal effects where there the analyses failed to confirm such relationships (Preece, 1990; Söderlund, 2010). The results are presented in order of the hypotheses and the section ends with a summary of all stated hypotheses and whether they can be supported or not.

4.1 Manipulation check

An initial manipulation check was performed in order to confirm that the respondents perceived the treatment stimuli as more purposeful compared to the control stimuli, as was previously done in the second pre-study. The three questions measuring purpose were combined into an index since they had a Cronbach's alpha of 0.84. The test aimed to compare perceived purposefulness between two different groups, which made an independent-samples t-test appropriate⁴ (Newbold et al., 2012). Levene's test indicated equal variance between the groups ($p > .05$) (Cohen, 1988). The independent-samples t-test showed that there is significant differences in mean values between the three treatment groups combined (group "Purpose") and the control group (group "Control"), see Table 3. The results indicate that the treatment stimuli successfully signalled a higher level of purposefulness compared to the control stimuli ($M_{\text{purpose}} = 5.01$ vs $M_{\text{control}} = 4.20$, $p < .001$). This shows that the manipulation of purpose was successful and ensures that the future observed effects in the different consumer responses can be ascribed to the manipulation.

⁴ If we would have compared all the three purpose-groups independently (and not combined into one purpose-group) a one-way ANOVA would have been the adequate statistical method. But due to reasons described earlier the treatments-groups were combined, why an independent samples t-test was appropriate.

Table 3 - Manipulation control of perceived purposefulness

Group	N	Mean	St. Deviation	t	p
Purpose	446	5.01	1.21	6.94	.00***
Control	145	4.20	1.27		

Significance level: *** $p \leq .001$

4.2 Testing of hypotheses

4.2.1 Tests of consumer reactions to a company purpose

The first hypothesis claims that a purpose-driven company will cause more positive effects on the dependent consumer reaction variables, compared to a company without a stated purpose. This leads to the assumptions that consumers respond with more positive attitudes and intentions when being exposed to the treatment stimuli text compared to being exposed to the control stimuli text. Independent-samples t-tests were performed in order to test the hypothesis, comparing the treatment and control groups for each of the dependent variables; brand attitude, purchase intention and WOM intention⁵. A Levene's test was conducted that showed that the variables met the homogeneity assumption ($p > .05$) (Cohen, 1988). The three questions measuring brand attitude showed a Cronbach's alpha of .81, which is why they could be combined into an index.

The results presented in Table 4 indicated that the means were significantly higher for the purpose-driven stimuli compared to the control group for all the three measured dependent variables. These results indicate that a company purpose generate more favourable consumer reactions for brand attitude, purchase intention and WOM intention, compared to the absence of a stated purpose.

⁵ Again, If we would have compared all the three purpose-groups independently (and not combined into one purpose-group) a one-way ANOVA would have been the adequate statistical method. But due to reasons described earlier the treatments-groups were combined, why an independent samples t-test was appropriate.

Table 4 - Company purpose and consumer reactions

Dependent variable	Manipulation	N	Mean	St. deviation	t	p
Brand attitude	Purpose	446	4.83	1.25	3.95	.00***
	Control	145	4.38	1.11		
Purchase intention	Purpose	446	3.58	1.65	2.34	.02**
	Control	145	3.22	1.50		
WOM intention	Purpose	446	3.47	1.72	3.30	.00***
	Control	145	2.94	1.52		

Significance level: *** $p \leq .001$, ** $p \leq .05$

Supporting H1, the first hypothesis can be supported as the independent-samples t-test showed that both (H1a) brand attitude ($M_{\text{purpose}} = 4.83$ vs $M_{\text{control}} = 4.38$, $p < .001$), (H1b) purchase intention ($M_{\text{purpose}} = 3.58$ vs $M_{\text{control}} = 3.22$, $p < .05$) and (H1c) WOM intention ($M_{\text{purpose}} = 3.47$ vs $M_{\text{control}} = 2.94$, $p < .001$), were significantly higher for respondents in the purpose-group, compared to respondents in the control group

4.2.2 Analysis of perceived authenticity as mediator

The second hypotheses states that company authenticity is a mediator that operates as an underlying cause for why having a company purpose might lead to more favourable brand attitudes, purchase intentions and WOM intentions. This relationship was tested through mediation analysis using Hayes PROCESS macro for SPSS (Hayes, 2013). The independent variable in the model was the company purpose, which is a dichotomous variable that can either be 1 for the existence of a company purpose or 0 for the control group. Moreover, Hypothesis H2 was tested through simple mediation, since there is only one mediator; perceived company authenticity (Kane & Ashbaugh, 2017).

If the hypothesis is supported, the relationship between the independent variable (Company purpose) and the dependent variables (Consumer reactions) (*Path C*) is caused by the effect a company purpose has on perceived authenticity (*Path A*). The perceived authenticity in turn affects the consumer reactions (*Path AB*) (See Figure 3) (Hayes, 2013).

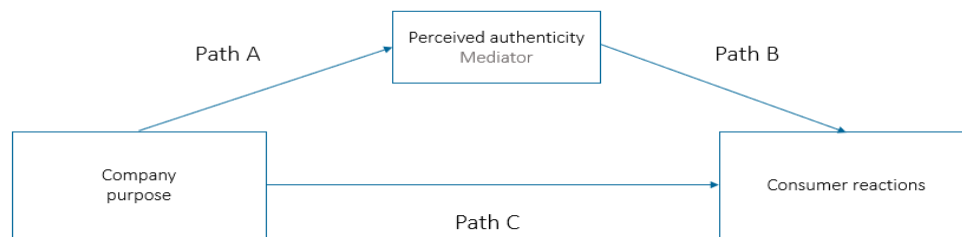


Figure 3– Perceived company authenticity as mediator of consumer reactions

Whether authenticity has mediating effect was tested using Hayes bootstrapping macro PROCESS for SPSS, with 5000 bootstrap samples and a 95% confidence interval where the model 4 was used. The three questions measuring authenticity had a Cronbach’s alpha of 0.76 and were thereby judged as appropriate to combine into an index. The coefficients of the respective paths were estimated in order to classify the mediation type (Zhao et al., 2010). Results are presented in Table 5.

The effect of a company purpose on perceived authenticity

There was a significant positive effect from having a company purpose on the perceived authenticity for the analyses of all three dependent variables (Path A). The mediation analysis showed that having a purpose led to a more positive perceived authenticity of the company ($B_1 = .22$, $se = .07$, $t = 3.02$, $p < .05$, $LLCI = .08$, $ULCI = .37$). Company authenticity could, based on these results, be used as a mediating variable in the analysis (Hayes, 2013).

Company authenticity as mediator of consumer reactions

The relationship between authenticity and consumer reactions were positive and significant for all three dependent variables (Path B), as the confidence intervals never crossed zero (BootLLCI to BootULCI). Since path A also was significant, as explained above, the total

indirect effect of having a company purpose (Path AB) was significant meaning that mediation prevails. The direct effects of having a purpose on consumer reactions, while keeping levels of authenticity constant, were significant for brand attitude and WOM intention but not significant for purchase intention.

The results imply that there is an indirect mediation only of authenticity for brand attitude and WOM intention (Zhao et al., 2010). However, it is considered to be a successful mediation even if only an indirect effect prevails (Rucker et al., 2011). If the direct effect disappears when introducing a mediator variable there is complete mediation where the effect of X on Y is entirely due to the mediator (MacKinnon et al., 2007). For purchase intention, the positive consumer reactions are entirely due to whether the consumers judge the purpose as authentic, hence there is a complete mediation. For brand attitude and WOM intention, authenticity only accounts for a part of the relationship of X and Y. For these dependent variables, a company purpose leads to more favourable consumer reactions regardless of the perception of authenticity, hence authenticity partially mediates the relationship. These results show that authenticity mediates the consumer reactions to a purpose, either partially or completely, which is why the second hypothesis also can be supported.

Table 5 - Company authenticity as mediator

Independent variable	Dependent variable	Mediator		Direct effects		Indirect effects
Company purpose	Company attitude	Authenticity	c	0.37	ab	0.09
			SE	0.11	SE	0.04
			t	3.31	LLCI	0.03
			p	0.00	ULCI	0.17
Company purpose	Purchase intention	Authenticity	c	0.22	ab	0.14
			SE	0.15	SE	0.05
			t	1.48	LLCI	0.05
			p	0.14	ULCI	0.25
Company purpose	WOM	Authenticity	c	0.38	ab	0.15
			SE	0.15	SE	0.06
			t	2.48	LLCI	0.05
			p	0.01	ULCI	0.26

Bootstrap sample = 5000, 95% significance level

Supporting H2, the simple mediation analysis show that authenticity mediates the relationship between having a company purpose and all three consumer reactions. A 95% bias-corrected confidence interval based on 5000 bootstrap samples show that the indirect effects (Path AB) was entirely above zero for all three of the dependent variables (H2a) brand attitude, (H2b) purchase intention and (H2c) WOM intention.

4.2.3 Analysis of consumer values as influencers on consumer reactions

Hypotheses H3-H6 states that specific consumer values either lead to more positive or more negative consumer reactions to a company purpose. These hypotheses only consider effects that take place when the respondents have seen a company purpose, why the following tests were performed only on the treatment group. The tests were furthermore conducted with the combined purpose-group and not on the three separate purposes. It should thereby be noted

that the respondents in the analysed group have seen different information. However, as explained earlier, little variation was observed between the groups where the aim with the thesis is to investigate the impact of a purpose in general and not a purpose promoting a specific social issue.

To test the hypotheses, three multiple linear regressions were performed, one for each of the dependent variables. The regression analyses were performed with brand attitude, purchase intention and WOM intention as dependent variables and consumer values as independent variables. The models show how much of the variation in the dependent variable than can be explained by variation in the respective independent variables. Hence, how much variation in consumer reaction that can be explained by variation in the consumers' value clusters. The regression analyses were consequently conducted in order to estimate the effect consumer values have on brand attitude, purchase intention and WOM intention respectively. All models were significant ($p < 0.05$), and none of them showed signs of autocorrelation (Durbin Watson = 1.88, 1.82 and 1.86 in order of conducted analyses below), multicollinearity (condition index 1-14) or heteroscedasticity. Results are presented in Table 6, 7 and 8. Descriptive statistics of the dependent and independent variables used in the regression analyses can be found in Appendix 5. Correlations coefficients regarding the value clusters and the dependent variables can be found in Appendix 6.

The role of consumer values on brand attitude

$$Brand\ attitude_i = \beta_o + \beta_1 Selftranscendence + \beta_2 OpennessToChange + \beta_3 SelfEnhancement + \beta_4 Conservation + u_i$$

Table 6 – Regression analysis on the effect of consumer values' influence on brand attitude after being exposed to a company purpose

Variable	B	Std. Error	t	Sig.
Self-transcendence	.28	.09	3.07	.002**
Openness to Change	.02	.08	.027	.79
Self-enhancement	-.08	.07	-1.13	.26
Conservation	-.01	.09	-.152	.88

Significance level: *** $p \leq .001$, ** $p \leq .05$

The role of consumer values on purchase intention

$$Purchase\ intention_i = \beta_o + \beta_1 Selftranscendence + \beta_2 OpennessToChange + \beta_3 SelfEnhancement + \beta_4 Conservation + u_i$$

Table 7 – Regression analysis on the effect of consumer values' influence on purchase intention after being exposed to a company purpose

Variable	B	Std. Error	t	Sig.
Self-transcendence	.53	.12	4.51	.00***
Openness to Change	-.04	.11	-0.39	.70
Self-enhancement	.04	.09	0.43	.66
Conservation	.09	.11	0.77	.44

Significance level: *** $p \leq .001$, ** $p \leq .05$

The role of consumer values on WOM intention

$$WOM\ intention_i = \beta_0 + \beta_1 Selftranscendence + \beta_2 OpennessToChange + \beta_3 SelfEnhancement + \beta_4 Conservation + u_i$$

Table 8 – Regression analysis on the effect of consumer values' influence on WOM intention after being exposed to a company purpose

Variable	B	Std. Error	t	Sig.
Self-transcendence	.56	.12	4.55	.00***
Openness to Change	-.05	.11	-.43	.67
Self-enhancement	.05	.10	.55	.58
Conservation	.02	.12	.17	.86

Significance level: *** $p \leq .001$, ** $p \leq .05$

Supporting H3, the multiple linear regression analysis showed that an increase in the level of values related to self-transcendence increases the likelihood of having more positive (H3a) brand attitude, (H3b) purchase intention and (H3c) WOM intention towards the company after being exposed to the company purpose ($p < .05$). Thus, empirical support was found for H3.

Not supporting H4-H6, the multiple linear regression analysis showed no support for the hypotheses stating that an increase in consumer values related to openness to change, self-enhancement and conservation leads to the likelihood of having neither more negative (self-enhancement and conservation) nor more positive (openness to change) consumer reactions after being exposed to a company purpose.

4.3 Summary of hypotheses

The link between a communicated purpose and consumer reactions

H1: A communicated company purpose generates (**H1a**) higher brand attitude, (**H1b**) stronger purchase intentions and (**H1c**) stronger WOM intentions, compared to the absence of a communicated company purpose.

SUPPORTED

The mediating role of perceived authenticity

H2: The effects of a communicated purpose on (**H2a**) brand attitude and (**H2b**) purchase intentions and (**H2c**) WOM intentions are mediated by perceived company authenticity.

SUPPORTED

The link between values related to self-transcendence and consumer reactions

H3: Consumers with a high level of values related to self-transcendence are more likely to have (**H3a**) more positive brand attitude (**H3b**) stronger purchase intentions and (**H3c**) stronger WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to self-transcendence.

SUPPORTED

The link between values related to self-enhancement and consumer reactions

H4: Consumers with a high level of values related to self-enhancement are more likely to have (**H4a**) more negative brand attitude (**H4b**) weaker purchase intentions and (**H4c**) weaker WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to self-enhancement.

NOT SUPPORTED

The link between values related to openness to change and consumer reactions

H5: Consumers with a high level of values related to openness to change are more likely to have (**H5a**) more positive brand attitude (**H5b**) stronger purchase intentions and (**H5c**) stronger WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to openness to change.

NOT SUPPORTED

The link between values related to conservation and consumer reactions

H6: Consumers with a high level of values related to conservation are more likely to have (**H6a**) more negative brand attitude (**H6b**) weaker purchase intentions and (**H6c**) weaker WOM intentions after being exposed to a purpose, compared to consumers with a low level of values related to conservation.

NOT SUPPORTED

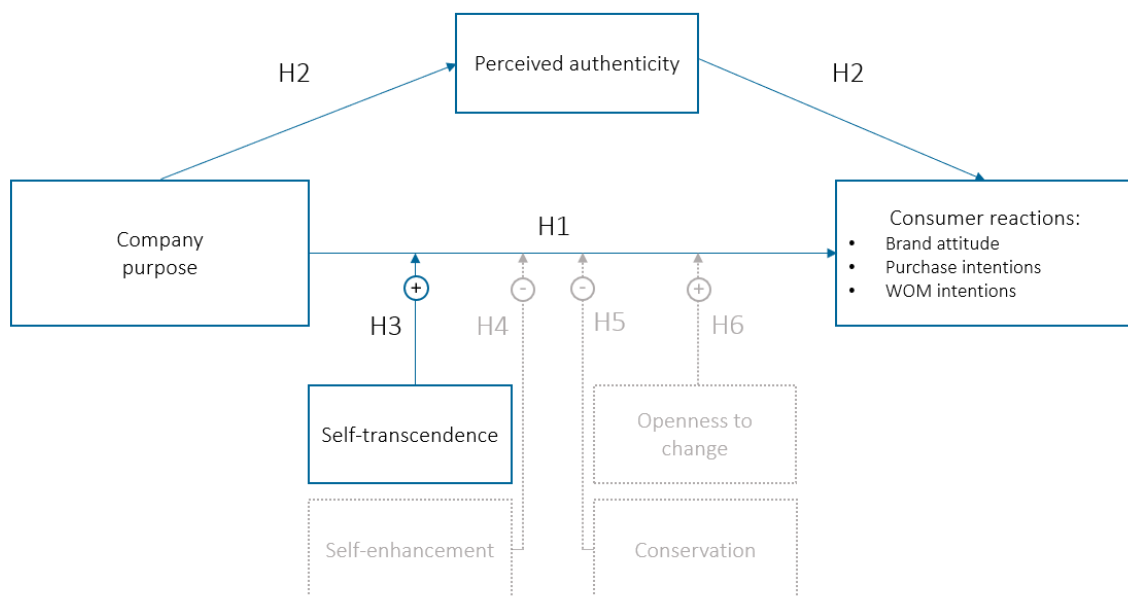


Figure 4 - Updated visual representation of the theoretical model based on hypothesis testing

5 Discussion

This chapter outlines an overview of the results presented together with a discussion on how the findings links to theory. We start by discussing the findings concerning the consumer reactions to a company purpose, followed by a discussion regarding the impact of authenticity and consumer values.

5.1 Consumer reactions to a communicated purpose

Initially, the hypothesis concerning how a company purpose affects consumer reactions, in terms of brand attitude, purchase intentions and WOM intentions, was tested. The results showed that the communication of a purpose generates favourable consumer attitudes and intentions, which confirmed previous CSR-related research. By considering the company purpose in isolation, this thesis fills the research gap of whether a company purpose can lead to positive effects on consumer reactions.

For the brand attitude, the study shows that brand attitude is higher when a purpose is communicated compared to when it is not. This is in line with the reasoning drawn from CSR-related research (e.g. Drumwright 1996; Brown & Dacin 1997; Sen & Bhattacharya 2001; Lichtenstein et al., 2004; Kumar et al., 2019). One can moreover conclude that the mean value of the treatment group for brand attitude is higher ($M_{\text{brandattitude}} = 4.83$) compared to the other two dependent variables ($M_{\text{purchaseintentions}} = 3.58$, $M_{\text{WOMintention}} = 3.47$). This also holds for the control group, indicating that consumers in general tend to have more positive attitudes than intentions, which further highlights the importance for managers to take into consideration the discrepancies between consumer attitude and behaviour, since high attitudes per se do not automatically lead to more purchases.

Further, purchase intention is the dependent variable with the smallest difference between the treatment ($M_{\text{purchaseintention}} = 3.58$) and control group ($M_{\text{controlgroup}} = 3.22$), indicating that the purpose manipulation did not generate as big effects on purchase intentions. This could mean that consumers are not as easily influenced by a purpose when it comes to their purchase intentions, and that other factors might influence this relationship as well. The results furthermore give reason to believe that similar analysis on actual purchase data could show small effects from having a purpose on actual spending, and this is something that should be considered as future research.

Further, the results from the analysis of the first hypothesis showed that the greatest differences between the treatment and control group was found for WOM intentions ($M_{\text{WOMintention}} = 3.47$, $M_{\text{control}} = 2.94$). The results indicate that the existence of a purpose generates a bigger effect on the consumers' WOM intention, compared to the other dependent variables. A purpose thereby seems to trigger the consumer to wanting to spread the word about the company in question, which is something companies could take advantage of. As well, since WOM has been shown to be a sign of true consumer loyalty (Arndt, 1967; Reichheld, 2003), this would imply that a purpose increases consumers loyalty towards brands.

To conclude, the results regarding the consumer reactions to a communicated purpose confirm the belief presented in the introduction of this thesis, that consumers increasingly demand and prefer companies that care and have a higher purpose. However, even though the positive effects a communicated purpose have on consumer reactions is one of the contributions of this study, it is interesting to consider that these effects are generated only by the *communication* of a purpose. This implies that companies can possibly benefit from using a company purpose without actually backing it up with any actual evidence. Although this is advantageous for the companies developing these purposes, it may provide fire to the goodwashing debate. Further, as the purpose-driven movement becomes more and more popular, one can expect consumers to become even more aware of the phenomenon and potentially more critical.

5.2 The impact of perceived authenticity and consumer values

The mediating effect of perceived authenticity suggests that the consumers' perception of the companies' intentions with their purposes impact their reactions, where the higher perceived authenticity, the more positive consumer reactions. These results show that consumers do prefer purpose-driven companies, which is in line with previous research on the subject (Gorn & Weinberg, 1984; Sparkman & Locander, 1980). The mediation analysis showed that perceived authenticity partially mediated the relationship between having a purpose and brand attitude and WOM intention, and fully mediated the relationship to purchase intention. This means that it is a precondition that consumers perceive the purpose as authentic in order for the purpose to generate purchase intention. The consumers will thereby not buy into a company whose purpose is perceived as inauthentic. Thus, this study highlights the importance of communicating a purpose that is perceived as authentic.

Regarding the impact consumer values were believed to have on consumer reactions to a company purpose, the results of this research support the proposition that personal values do influence consumer reactions to a purpose. However, only one out of four analyzed value clusters impacted the reactions. The results suggest that values related to self-transcendence influence the way customers react to a company purpose, which offers additional empirical support for the exploratory differences that have been observed by previous researchers (Pérez & Rodríguez-del-Bosque, 2013), but now in a purpose-contexts. However, in contradiction to previous research, values related to self-enhancement, openness to change and conservation could not be identified as influencing consumer reactions to a communicated purpose.

The results show that consumers with a higher level of values related to self-transcendence tend to react more positively to a communicated purpose, which is in line with previous research on CSR (Pérez & Rodríguez-del-Bosque, 2013). This makes sense since people with these values tend to care for the welfare and interest of others. Further, the analysis showed greater effects from having high level of values related to self-transcendence on the two dependent variables measuring intentions ($B_{\text{purchaseintention}} = 0.53$, $B_{\text{WOMintention}} = 0.56$, $B_{\text{brandattitude}} = 0.28$). This is interesting since this study implies that intentions are more difficult to influence by a purpose than attitudes, which can be partially explained by the results showing that intentions vary to a great extent depending on the consumers' inherent level of values related to self-transcendence. This can be seen as a scientific confirmation of the claims made by practitioners, where they argue for the importance of considering consumer values when communicating purposes.

Regarding values related to self-enhancement, it was hypothesised that these values are the opposite of values related to self-transcendence, which would imply that consumers with an increased level of values related to self-enhancement would react more negatively to a purpose. However, this thesis was not able to prove such a connection. Even though this was a surprising result, there are some possible explanations to why the analysis was unable to reject the null hypothesis. Just because consumers with high levels of values related to self-enhancement emphasize high interest in themselves, it does not per definition mean that they think badly of companies that care for a higher purpose. One further explanation could be that actual behaviour was not measured, and that there is a risk that consumers are answering what they consider to be socially desirable.

Values related to openness to change could not be proven to affect consumer reactions, which is contrary to findings in previous studies (Pérez & Rodríguez-del-Bosque, 2013). A reason for this might be the societal context, i.e. the Swedish setting in which the study was conducted, which could be a factor influencing the outcomes. The purpose-driven movement has become especially strong in Sweden (Atomico, 2019) and it may be that Swedish consumers are so regularly exposed to messages similar to the ones communicated in the stimuli, that individuals do not see these types of purposes as something new or innovative anymore. Hence, purpose is not a novel concept in Sweden, which might be an explanation for why it is not possible to observe any effects on consumer reaction for consumers with a high level of values related to openness to change. Following this reasoning, it also implies an explanation for the lack of effects of values related to conservatism, which this study presents as the opposite of openness to change. If communication about purpose is not seen as something novel, it also makes sense to believe that consumers with a high level of conservative values will not react more negatively to a purpose.

While several researchers have shown that values related to self-enhancement, openness to change and conservatism do impact consumer reaction to company communication on social issues (Pérez & Rodríguez-del-Bosque, 2013; Pérez & Rodríguez-del-Bosque, 2017), this study could not find full empirical support for such effects of a communicated purpose. However, the study still contribute to theory by confirming the effect of self-transcendence values together with possible explanations for the lack of significant result for the other value clusters in this thesis. Researchers could beneficially consider these results when conducting analysis on consumer values in the context of company purpose in the future.

5.3 General discussion

To conclude, as many companies jump on the bandwagon of developing purposes, it is fundamental that brands return to the human needs that their consumers care about (Accenture, 2018). A thoughtful purpose can connect companies with consumer values, which can lead to a win-win situation for the companies, the consumers and the society as a whole. When consumers experience this emotional connection to a company's purpose, they may not only reward the company by giving them their trust and purchase, but together spread the purpose and in this way drive meaningful change in society. However, due to increased transparency, consumers today are more empowered than ever to confirm or disconfirm companies'

purposes. Therefore, it is vital that companies live up to their promised purposes in everything they do.

The increased consumer demand and expectations on companies present an opportunity for companies to prove their competitive agility which lies in building more authentic, and thus, profitable relationships with consumers. Consumers must perceive the relationships as genuine and meaningful, and there must be a shift in the consumer dialogue from “give *me* what I want” to “support the ideals *we* believe in” (Accenture, 2018). This will result in meaningful, authentic relationships based on an affinity to companies that do more than just make money. The strong relationship between companies communicated purpose and consumer reactions affirms that developing and communicating a corporate purpose may deliver significant benefits, as long as it is appropriately communicate and adapted to the consumers.

6 Conclusion

This chapter summarizes the main conclusions based on the previous discussions on the empirical findings. Moreover, theoretical contribution and implications are presented followed by a discussion about the study's limitations and suggestions for future research.

The main purpose of the study was to investigate the effects a communicated purpose has on consumer reactions, and the impact perceived authenticity and consumers' personal values have on the reactions. This was to fully grasp whether a company purpose is always beneficial for a company, and in what way companies could adapt their purposes for maximum effect. As knowledge about communication of purposes in a consumer marketing context is of high relevance for several stakeholders, due to the increasing purpose-driven movement, it was considered an area in need of additional research. In addition, since existing research had not studied purpose in a consumer marketing context, there were an apparent research gap. Therefore, this study aimed at contributing to the closing of the research gap through examining if exposure to a company purpose positively impact consumer reactions and if perceived authenticity and consumer values influence these reactions.

The results indicated that company purposes positively impact consumer reactions, in terms of brand attitude, purchase intentions and WOM intentions. These results imply that it is beneficial for companies to develop and communicate a purpose for image and sales-driving causes. The positive effects on consumer reaction were mediated by consumers' perceived authenticity, why it is critical for companies to have a true desire to do good if using purposes.

Regarding the impact of consumers own values, the results of the study show that self-transcendent values do influence and have positive effects on consumer reactions to a communicated purpose. However, regarding values related to self-enhancement, openness to change and conservation, the findings of this study is not able to prove any impact on consumer reactions. The findings contribute with insightful information both to the current discussion on company purposes and to the academic discussion on purpose and the effects it has on consumers. However, the findings show that yet, there is not sufficient empirical evidence for the relationship between consumer values and consumer reactions evoked by a company purpose.

In conclusion, through investigation of the effects a communicated purpose has on consumer reactions, and if perceived authenticity and consumer values do impact the relationship, this study answers the study's research questions. Firstly, the findings shows that exposure to a company purpose have positive effects on consumer reactions. These effects are mediated by the consumers perceived level of company authenticity. Secondly, the thesis shows that consumer values do impact consumer reactions to a communicated purpose, where high levels of values related to self-transcendence positively impact consumer reactions to a purpose. To conclude, the study shows that it makes sense to believe that the **better the purpose, the better the business.**

6.1 Theoretical implications

The results of the thesis give implications to future theory in several ways. Firstly, the findings contribute to research within the field of corporate purpose by investigating the relationships found within CSR-related research and expand these into this new context. This gives an increased understanding for the similarities between the effects of corporate social responsibility and corporate purpose and confirms the close connection between the two concepts. Secondly, the study adds valuable insight into the area of company purpose, which today is a rather unexplored research area. The thesis extends the literature on corporate purpose by examining it in a consumer marketing context, something that has not been done before. Results show that a company purpose do have a positive effect on brand attitude, purchase intentions and WOM intentions, which are interesting findings as they show how consumers, as an important stakeholder group for organizations, are impacted by a corporate purpose. By adding this consumer dimension to the corporate purpose research area, this thesis allows for a broader understanding of the concept.

Thirdly, the results show that perceived authenticity explains the relationship between a company purpose and consumer reactions, which has not been previously explored within any kind of purpose context. Taken together, the results from the study expands existing theory of the concept of corporate purpose and offers an increased understanding for this growing research area. However, the results also highlight the difficulties in supporting and applying prior studies to some extent, since no support was found for the impact of three out of four value clusters, even though previous research and theoretical models suggested that there are reason to believe that such a relationship exists.

6.2 Managerial implications

The results of this study have significant implications for the management of purpose strategies in business. The primary managerial implication is the acknowledgement the thesis makes to the prior, non-scientifically, implied relationship between having a company purpose and positive consumer responses. By doing this, the thesis shows practitioners the possible benefits in developing a purpose that builds on a social issue, as well as how this can be done in an advantageous way. The recommendation to managers is mainly to incorporate a purpose in their brand strategy since it has proven to be beneficial, but also that the purpose should be harmonious with the company at large. This because authenticity is proven to mediate the relationship between a company purpose and the consumer reactions. Therefore, managers need to make sure that the social issue they engage in comes from a genuine desire to do good, in order to minimize the risk of scepticism and backlashes.

The results moreover highlight the importance that companies target the consumer base with high levels of values related to self-transcendence, as these values have been proven to influence the consumer reactions. The thesis thereby succeeded with its intended goal of assisting practitioners in better segmenting the market, by showing that the consumers with high level of values related to self-transcendence are a relevant segment to target by using a purpose. However, practitioners should be aware of the rapid expansion of having a company purpose which quickly could alter the preconditions. For example, as having a company purpose becomes more common, consumers could become increasingly sceptical which would make perceived authenticity even more important. To conclude, the results of this study can assist managers in better segmenting the market and to help them develop and adapt their purpose to make it more effective.

6.3 Further implications

Apart from implications to academia and management, the result from the thesis generates further implications by taking a more holistic viewpoint on the results. Firstly, due to the inability to support some of the hypotheses, the thesis failed to explain relationships that well-established theories indicated could be there. This leads to the conclusion that one should be careful in taking earlier research for granted. Secondly, the results highlight the advantages of having a company purpose as it is both a rapidly growing trend and has significant impact on consumer responses if used correctly. However, the purpose phenomenon has never been

discussed during the authors' five-year long studies in business management. A further implication is thus that company purpose as a concept should be more integrated in the business management and marketing education system, e.g. by making it a part of the branding courses offered today. Thirdly, the results show that a purpose affects the consumers and might lead to unconscious reactions the consumer herself might not be aware of. Therefore, there is an inherent risk that companies deliberately manipulate the consumer, and that companies solely use a purpose for private gains rather than contributing to society. The concerns are especially apparent since the results showed positive effects on consumer reactions simply by stating that the company cares for something greater, without any proof that this actually is the case. These results amplify the need for consumers to be mindful about the purpose-driven information they encounter and to a greater extent evaluate their own reasoning in these situations.

6.4 Critique and limitations

There are numerous limitations related to the study of this thesis. Firstly, the study design makes the generalizability of the results constrained in several ways. The use of three social issues; gender equality, inclusiveness and environmental protection, makes the results bound to these specific issues. It can be assumed that there would have been different results if other social issues would have been used, for example controversial issues like abortion or gun control. This limitation holds also for the studied product category, where a purpose for a company selling other products than outdoor clothing, or even not selling products but services, could generate other findings than the ones observed. The generalizability can also not be extended beyond the scope of communicating a company purpose in the webpage of the company. In the real-world it can be feasible to expect that a company purpose impregnate all communication from the company, making the ecological validity of the "about us" text rather limited. Moreover, the results hold only for products in a business-to-consumer setting, where a purpose might have a different impact on a business-to-business relationship, which is considered as a further limitation of the thesis.

Furthermore, the measurements used in the survey can be seen as further limitations. Firstly, the consumers were asked for their self-reported behavioural intentions, which does not measure actual behaviour. The respondents may have been influenced by social norms, hence not prevailing their actual intentions but what they found socially desirable. Furthermore, the measures used for both perceived purposefulness and authenticity were not based on previous

research and the questions asked thereby risk not measuring the intended variables. Finally, the stimuli as such could be put to critique since it consisted of a rather sterilized text, not much like how a company purpose probably is communicated in the real word. The stimuli moreover differed in length between the treatment and control group, violating the internal validity of the thesis. Also, the setting of being exposed to the stimuli from answering a survey does not mirror an actual situation when a consumer comes across a company purpose. These limitations together negatively influence the validity and reliability of the thesis.

6.5 Future research

In order to get a clearer understanding of company purpose as a research area and specifically the effect the consumers' own values have on the relationship, the results of the thesis open up for numerous future study areas. Firstly, we encourage others to replicate the study in order to see if the results hold. Furthermore, it is of interest to investigate if the effects also hold for different product categories, industries, social issues and contexts apart from the "About us" webpage of a company, since this would generate an increased understanding of the corporate purpose concept. Especially interesting would be to investigate the different effects from high versus low engagement products, as previous research has suggested that it is a factor that could moderate the results (Pomeroy & Dolnicar, 2009). Of high relevance for future research is thus to investigate other types of stimuli than the one used in this thesis. Here researchers are also encouraged to build stimuli that more closely mirror a real-life situation by for example building a fictitious company webpage with its proper layout, in order to increase the validity of the results.

Moreover, the study investigated a limited set of dependent variables for the consumer reactions, where future research could gain amplified knowledge by investigating other variables. Of particular interest is to analyse actual purchase data in order to close the intention-behaviour gap. Finally, the results of the thesis showed that authenticity mediated the relationship between a purpose and consumer reactions, making a high level of perceived authenticity vital for companies to reach. What the thesis however fails to explain is how a company successfully can signal authenticity. There are numerous studies researching how consumer perceive authenticity (e.g. Forehand & Grier, 2003; Rifon et al., 2004), but none in the setting of a company purpose. Because perceived authenticity fully mediated the relationship between purpose and purchase intention, it is considered a highly relevant factor

for future research in order to give concrete recommendations to practitioners of how to make a purpose generate sales. Finally, the authors suggest that future research investigates the differences between only stating a purpose and actually performing actions in accordance to the purpose, and how perceived authenticity is affected by this. Since there are reasons to believe that authenticity will become even more important to consumers as the purpose-driven movement keeps gaining momentum, this will be vital for companies to understand in order to decrease the risk of being accused of goodwashing.

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Appendix

Appendix 1 – Summary of results from Pre-study 1

Table 9 – Rated importance of social issues

Social issue	Mean	Std. Deviation	Variance
Gender equality	22.833	10.718	114.886
Environmental protection	18.750	10.035	100.707
Inclusiveness	13.833	12.395	153.629
Immigration	8.222	10.545	111.206
HBTQ rights	6.462	7.323	53.628
Animal rights	5.129	5.488	30.123
Public health	8.944	9.298	86.454
Diversity	7.000	8.246	68.000
Community aid	3.833	4.151	17.229
Economic policy	4.972	5.604	31.399

Table 9 presents the respondents' perceived issue importance where they were asked to divide 100 points between the ten social issues, giving most points to issues perceived most important.

Table 10 – Rated appropriateness for brands to engage in a social issue

Industry	Mean	Std. Deviation	Variance
Retail	6.030	1.276	1.628
FMCG	5.670	1.867	3.486
Pharmaceuticals	5.190	1.737	3.018
Airline	5.080	1.842	3.393
Financial services	5.080	1.795	3.221
Energy production	5.000	1.836	3.371
Cars	4.920	1.948	3.793
Telecommunications	4.920	1.628	2.650
Home electronics	4.720	1.560	2.435
Furnishing	4.610	1.644	2.702
Industry mining	4.530	2.210	4.885
Automotive safety supplies	4.250	2.103	4.421

Table 10 presents the respondents' perceived appropriateness for a brand within the respective industry to engage in a social issue.

Appendix 2 – Stimuli texts

Design 1 – Stimuli of company purpose promoting gender equality

Om Oss

Företag X är en designer av friluftskläder. Våra produkter är designade baserat på en djup konsumentinsikt och utvecklade i nära samarbete med professionella användare. Vårt syfte är att stärka varje kvinna i att våga uttrycka sig själv. Efter att ha insett att industrin för friluftskläder tenderar att vara centrerad kring män blev vårt mål att skapa ett varumärke som designar snygga, feminina och funktionella kläder för kvinnor att uttrycka sin stil i varje aspekt av livet. Designade av kvinnor, för kvinnor.

Design 2 – Stimuli of company purpose promoting environmental protection

Om Oss

Företag X är en designer av friluftskläder. Våra produkter är designade baserat på en djup konsumentinsikt och utvecklade i nära samarbete med professionella användare. Vårt syfte är att bidra till att rädda vår planet. Vi ser att allt liv på jorden är under hot att utrotas. Därför ämnar vi att använda resurserna vi har - vårt företag, våra investeringar, vår röst och vår fantasi - för att göra något åt det. Låt oss göra ansvarsfulla val för planeten vi älskar.

Design 3 – Stimuli of company purpose promoting inclusiveness

Om Oss

Företag X är en designer av friluftskläder. Våra produkter är designade baserat på en djup konsumentinsikt och utvecklade i nära samarbete med professionella användare. Vårt syfte är att demokratisera friluftskategorin. Efter att ha insett att högkvalitativa friluftskläder tenderar att vara dyra och ansedda som något för de privilegierade, är vårt mål att skapa ett varumärke som designar prisvärda friluftskläder för alla.

Design 4 – Stimuli of control text without stated company purpose

Om Oss

Företag X är en designer av friluftskläder. Våra produkter är designade baserat på en djup konsumentinsikt och utvecklade i nära samarbete med professionella användare.

Appendix 3 – Questionnaire used in the main study

Block 1

Hej! Vi är två studenter från Handelshögskolan som skriver vår masteruppsats. Vi skulle vara så tacksamma om du svarade på vår enkät, vilket tar ungefär 10 minuter. Det finns inga fel svar och deltagandet är anonymt.

Hälsningar,
Matilda och Hanna

Page Break

Block 2

Hur gammal är du? Ange din ålder i antal år.

--

Vad är ditt kön? Kvinna/ Man/

☐ Kvinna
☐ Man

Page Break

Block 3

Här beskriver vi kortfattat några personer. Läs igenom beskrivningen och tänk efter kring hur mycket varje person är eller inte är som du. Markera svaret som visar hur mycket personen i beskrivningen liknar dig.

(If respondent answered "male" on the previous question he got a male version of the statements below)

HUR LIK DIG ÄR DEN HÄR PERSONEN?

	Inte alls lik mig	Inte lik mig	Något lik mig	Ganska lik mig	Lik mig	Väldigt lik mig
1. Det är viktigt för henne att tänka ut nya idéer och vara kreativ. Hon gillar att göra saker på sitt eget, originella sätt.	☐	☐	☐	☐	☐	☐
2. Det är viktigt för henne att vara rik. Hon vill ha mycket pengar och dyra saker.	☐	☐	☐	☐	☐	☐
3. Hon tycker att det är viktigt att varje människa i världen behandlas jämlikt. Hon tror på att alla ska ha samma möjligheter i livet.	☐	☐	☐	☐	☐	☐
4. Det är mycket viktigt för henne att visa sina färdigheter. Hon vill att folk ska beundra det hon gör.	☐	☐	☐	☐	☐	☐
5. Det är viktigt för henne att leva i en trygg omgivning. Hon undviker sådant som kan äventyra hennes säkerhet.	☐	☐	☐	☐	☐	☐
6. Hon tycker att det är viktigt att göra många olika saker i livet. Hon letar jämt efter nya saker att prova.	☐	☐	☐	☐	☐	☐
7. Hon anser att folk ska göra som de blir tillsagda. Hon tycker att människor ska följa regler vid alla tillfällen, även när ingen ser dem.	☐	☐	☐	☐	☐	☐
8. Det är viktigt för henne att lyssna på människor som är annorlunda än henne. Hon vill kunna förstå dem, även om hon inte håller med dem.	☐	☐	☐	☐	☐	☐
9. Hon tycker att det är viktigt att inte fråga efter mer än man har. Hon anser att folk ska vara nöjda med det dem har.	☐	☐	☐	☐	☐	☐
10. Hon söker varje möjlighet hon kan att ha roligt. Det är viktigt för henne att göra saker som skänker henne njutning.	☐	☐	☐	☐	☐	☐
11. Det är viktigt för henne att fatta egna beslut om vad hon ska göra. Hon vill ha frihet att planera själv och självständigt välja sina aktiviteter.	☐	☐	☐	☐	☐	☐
12. Det är mycket viktigt för henne att hjälpa människorna omkring henne. Hon vill se till att dem har det bra.	☐	☐	☐	☐	☐	☐
13. Att vara mycket framgångsrik är viktigt för henne. Hon tycker om att imponera på andra människor.	☐	☐	☐	☐	☐	☐

HUR LIK DIG ÄR DEN HÄR PERSONEN?

	Inte alls lik mig	Inte lik mig	Något lik mig	Ganska lik mig	Lik mig	Väldigt lik mig
14. Det är mycket viktigt för henne att hennes land är säkert. Hon anser att staten måste vara på sin vakt mot hot, både inifrån och utifrån.	☐	☐	☐	☐	☐	☐
15. Hon tycker om att ta risker. Hon letar alltid efter äventyr.	☐	☐	☐	☐	☐	☐
16. Det är viktigt för henne att alltid agera korrekt. Hon vill undvika att göra sådant som andra människor skulle säga är fel.	☐	☐	☐	☐	☐	☐
17. Det är viktigt för henne att bestämma och tala om för andra människor vad de ska göra. Hon vill att människor ska göra som hon säger.	☐	☐	☐	☐	☐	☐
18. Det är viktigt för henne att vara lojal mot sina vänner. Hon vill ägna sig åt människor som står henne nära.	☐	☐	☐	☐	☐	☐
19. Hon tror starkt på att människor måste ta hänsyn till naturen. Att värna om miljön är viktigt för henne.	☐	☐	☐	☐	☐	☐
20. Religiös tro är viktigt för henne. Hon anstränger sig hårt för att agera som religionen kräver.	☐	☐	☐	☐	☐	☐
21. Det är viktigt för henne att det är rent och snyggt. Hon gillar verkligen inte när saker är i oordning.	☐	☐	☐	☐	☐	☐

Page Break

Block 4

Tänk dig att du internetshoppar friluftskläder och besöker Företag Xs hemsida. Du har aldrig hört talas om Företag X förut, och klickar dig därför in på sidan "Om Oss" för att läsa på mer om företaget. Där hittar du texten nedan, läs igenom texten och svara sedan på frågorna som följer.

(One of the stimuli texts presented in Appendix 2 is shown)

Page Break

Block 5

Vad är din uppfattning om Företag X utifrån texten du precis läste?

Dålig	☐	☐	☐	☐	☐	☐	☐	Bra
Negativ	☐	☐	☐	☐	☐	☐	☐	Positiv
Ofördelaktig	☐	☐	☐	☐	☐	☐	☐	Fördelaktig

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Block 6

Hur väl anser du att följande påståenden passar in på beskrivningen du precis läste om Företag X? (1= håller inte med alls, 7= håller med helt och hållet)

	1	2	3	4	5	6	7
Företag X har ett tydligt syfte	☐	☐	☐	☐	☐	☐	☐
Företag X förespråkar något som är positivt för samhället	☐	☐	☐	☐	☐	☐	☐
Företag X är ett syftedrivet företag	☐	☐	☐	☐	☐	☐	☐
Företag X vill genuint bidra till frågan de är engagerade i	☐	☐	☐	☐	☐	☐	☐
Företag X är ett autentiskt företag	☐	☐	☐	☐	☐	☐	☐
Företag X bryr sig egentligen inte, utan vill bara tjäna pengar	☐	☐	☐	☐	☐	☐	☐

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Block 7

Om du var på jakt efter friluftskläder, hur troligt är det att du skulle handla från detta företag?

(1 = inte troligt, 7 = väldigt troligt)

Inte troligt	☐	☐	☐	☐	☐	☐	☐	Väldigt troligt
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Hur väl stämmer detta påstående in på dig? "Jag vill rekommendera detta varumärke".

(1 = håller inte med alls, 7 = håller med helt och hållet)

Håller inte med alls	☐	☐	☐	☐	☐	☐	☐	Håller med helt och hållet
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Block 8

Företag X tillverkar:

☐ Friluftskläder
☐ Köksmaskiner
☐ Träningsskor

Page Break

End of survey

Appendix 4– Alpha values for measurements in the main study

Table 11 – Cronbach’s alphas from pre-study 2

Variable	No. of items	Cronbach’s alpha
Perceived purposefulness	3	.875

Table 12 – Cronbach’s alphas from main study

Variable	No. of items	Cronbach’s alpha
Perceived purposefulness	3	.836
Perceived authenticity	3	.756
Brand attitude	3	.812
Self-transcendence values	5	.682
Self-enhancement values	4	.786
Openness to change values	6	.773
Conservation	6	.647

Appendix 5– Descriptive statistics

Table 13 – Descriptive statistics for variables used in regression analyses

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Self enhancement	446	1.00	6.00	4.08	0.96
Self-transcendence	446	1.00	4.60	2.39	0.73
Conservation	446	1.50	5.17	3.23	0.74
Openness to change	446	1.00	7.00	3.16	0.83
Brand attitude	446	1.00	7.00	4.83	1.25
Purchase intention	446	1.00	7.00	3.58	1.65
WOM intention	446	1.00	7.00	3.47	1.72

Appendix 6– Correlation coefficients between independent and dependent variables for regression analyses

Table 14- Correlations of the respective value cluster and the dependent variable brand attitude

Variable	Correlation with brand attitude	Sig.
Self enhancement	0.04	0.35
Self-transcendence	-0.16	0.00
Conservation	-0.03	0.57
Openness to change	0.04	0.40

Table 15- Correlations of the respective value cluster and the dependent variable purchase intention

Variable	Correlation with purchase intention	Sig.
Self enhancement	-0.05	0.31
Self-transcendence	-0.24	0.00
Conservation	-0.12	0.01
Openness to change	0.07	0.15

Table 16- Correlations of the respective value cluster and the dependent variable WOM intention

Variable	Correlation with WOM intention	Sig.
Self enhancement	-0.04	0.36
Self-transcendence	-0.23	0.00
Conservation	-0.09	0.05
Openness to change	0.06	0.17