




# “The role of Corporate Social Responsibility in the decision-making process of consumers in Ukraine”

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# THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN THE DECISION-MAKING PROCESS OF CONSUMERS IN UKRAINE

## Abstract

This paper aims to investigate the impact of Corporate Social Responsibility (CSR) of Fast Moving Consumer Goods (FMCG) companies on consumer buying behavior in the Ukrainian market. The qualitative data for this study were collected with the help of semi-structured interviews conducted with a total of 10 respondents, including 5 Ukrainian consumers (with different levels of responsible consumption adoption) and 5 CSR experts from FMCG companies located in Ukraine (both local and global; with CSR adoption level varying from low to well-developed).

The data obtained for this study revealed that the level of consumer awareness about CSR in Ukraine is still low. However, the level of awareness and the actual consumption of responsible products are constantly growing. The results also show that Ukrainian consumers who already have some level of awareness about CSR perceive CSR communication as more credible when it does not originate from the company directly or is endorsed by a third party. At the same time, interviewed experts stated that to raise awareness among the wider population, FMCG companies have to communicate their CSR achievements directly and massively. Ukrainian consumers are mostly impacted by the product-related CSR type, such as bio-ingredients and sustainable packaging. Price premium for responsible products is the key factor that causes the "intention-behavior gap" in Ukraine.

Practitioners from the FMCG industry in Ukraine may use the information provided by this study to shape their CSR strategies, which will allow them to cater to societal demands and, as a result, impact consumer buying behavior.

## Keywords

sustainable consumption, consumer behavior, FMCG,  
CSR awareness, CSR communication, intention-  
behavior gap, qualitative research

**JEL Classification** M14, M31

## INTRODUCTION

Nowadays, the fast-growing population and a considerable increase in consumption lead to ubiquitous pollution of air, water, and land and putting an ever-growing pressure on the scarce resources and the entire ecosystem. Planetary boundaries have definitely been exceeded what results in significant consequences for the whole society (Rockström et al., 2009). More and more companies and consumers are questioning the traditional way of running a business in this context.

The idea that business has responsibilities beyond profit and should add social and environmental value (Crane et al., 2019) was widely accepted and integrated into the strategies of a vast variety of companies worldwide, especially during the last two decades. According to a survey conducted by Accenture in 2019, 99% of CEOs believed that

“sustainability issues will be critical to the future success of their business” (Accenture Strategy, 2019, p. 23). Moreover, in 2019, the CEOs of more than 180 US companies have signed the “statement of corporate purpose” with the key message that the companies’ social responsibilities are more important than profit (Dilts, 2019).

At the same time, sustainable and ethical consumption is gaining momentum at a high pace as well, partly triggered by sustainable marketing and CSR communication, partly because customers are getting aware of today’s global challenges and, as a result, become more conscious during the purchase process (Ethical Consumer, 2019; Jackson, 2006). This, in turn, provokes businesses to move further in integrating CSR practices. In this context, the literature repeatedly refers to companies and consumers’ “shared responsibility” (Brinkmann & Peattie, 2008).

However, while the market of ethical products is growing faster than the conventional one (Kronthal-Sacco & Whelan, 2019) and there is a clear shift towards business “greening” (Worthington, 2013), the overall consumption and production patterns are still far from sustainable. Most of the companies are going “green” for very practical business-driven reasons and perceive CSR as a means to improve financial performance, cut costs, enhance brand reputation, etc. (ING, 2018). Thus, though in a long-term perspective, strict adherence to the “triple bottom line” principle (Elkington, 1997) is not a question of corporate financial performance improvement but, rather, a company’s survival, in a short-term, some kind of business case for CSR should be developed in order to attract attention and gain support from the business sector (Kurucz et al., 2008).

The consumer’s perception of the company’s CSR activities is an important component of a business case for CSR, as the implementation of social responsibilities that are aligned with customers’ expectations, may result in enhanced corporate reputation, brand equity, consumers’ loyalty and ultimately influence the consumer buying behavior (Torres et al., 2012).

Though previous studies already tried to explain the influence of CSR on consumer buying behavior, they were mostly conducted in economically developed Western countries (Oberseder et al., 2011). Meanwhile, this topic is completely under-researched in Eastern Europe in general and in Ukraine in particular. Simultaneously, the societal demand for corporate responsibility in ex-soviet countries is currently rising, especially during the last decade. This creates a significant research gap, which this study aims partly to fill.

To shed the light on the criteria that may increase the probability of considering CSR by the consumers in their purchase decision-making process, the study intended to answer *how the FMCG industry in Ukraine can shape the CSR strategies to tackle new societal demands and influence consumer buying behavior*.

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## 1. LITERATURE REVIEW

### 1.1. Corporate social responsibility and the reasons behind “greening” the business

Corporate Social Responsibility (CSR) is a complex concept and, in general, implies that except making a profit, business is supposed to add social and environmental value (Elkington, 1997) to a wider audience of stakeholders (Freeman, 1984) that usually

encompasses employees, customers, suppliers, local communities (Panapanaan et al., 2003), shareholders, environment, etc. (Spiller, 2000).

While the classical four-part CSR model developed by Carroll (1991) defines CSR as a hierarchical order of economic, legal, ethical, and philanthropic responsibilities (where the two former are supposed to be fulfilled by the company in the first place, and the two latter are accordingly described as expected and desired), more recent academic lit-

erature, as well as business world executives, challenge this pragmatic view of CSR, outlining that such approach does not provide the solution to a situation in which “two or more responsibilities are in conflict” (Crane et al., 2019, p. 52) and emphasize the necessity of shift from a pyramid concept of CSR, where economic goals build the basis and are considered supreme, to a balanced model, where all three dimensions of corporate responsibility – economical, environmental, and social – are equally important and must be integrated into management processes (Hahn & Figge, 2011; Gladwin et al., 1995). However, in reality, the business remains primarily money-driven (Kotler & Lee, 2005), and the recent sustainability study demonstrates that the key motive for “greening the business” is still revenue growth (ING, 2018). In this regard, the business case for CSR remains an important topic both for academia and the business environment.

During the last two decades, an extended body of academic literature and empirical studies aimed to find out whether there is a “business case for CSR” or, in other words, to define if it is economically efficient to invest in CSR (Carroll & Shabana, 2010; Daszynska-Zygadlo et al., 2016; Hoepner & Yu, 2010). When dissecting the business case for CSR, the scholars distinguish between different sources of CSR economic impact, namely cost and risk reduction, profit maximization and competitive advantage, reputation, legitimacy, and synergistic value creation (Kurucz et al., 2008), increased staff motivation, enhance capacity to innovate, brand value, reputation, and development of closer links with customers (Jones, Comfort, Hillier, & Eastwood, 2005). However, one of the most important questions within the ‘business case for CSR’ context is whether and how the company’s responsibility affects consumer buying behavior and results in increased sales and market share (Kotler & Lee, 2005).

## 1.2. CSR’s impact on consumer attitude and behavior

When considering the CSR influence on consumers, it is crucial to distinguish between the impact of the former on consumer attitude and consumer behavior as the attitude toward the object or phenomenon (in this case – to the company, its brands, or products) does not necessarily predict the behavior related to this object or phenomenon

(the purchase of particular products or services) (Glanz et al., 2015).

In recent years, the relationship between CSR and attitude towards the company and its brands was widely studied and, in most cases, has been characterized as positive in different industries and various cultural contexts (Esmaeilpour & Barjoei, 2016; Hsu, 2012; C. Lee, Chang, & H. Lee, 2017; Raza Naqvi, 2013; Staudt, Shao, Dubinsky, & Wilson, 2014; Torres et al., 2012; Wang et al., 2015).

However, the empirical findings regarding the CSR impact on consumer buying behavior are less unequivocal (Oberseder et al., 2013; Sen & Bhattacharya, 2001). Some scholars found out that CSR has a direct positive impact on consumer behavior in different geographical settings (Huang et al., 2014; Kanniah & Jayakumar, 2018; Schramm-Klein et al., 2016; Wang & Juslin, 2009), stating that “all of the CSR components have a significant association with consumers’ buying behavior” (Farrukh, 2016, p. 249).

At the same time, other studies led to mixed or opposite results, highlighting that CSR itself does not have a significant impact on the buying decision-making process both because most consumers are still not aware of what CSR entails (Arli & Lasmono, 2010; Fernández & Rajagopal, 2013) and “because traditional purchasing criteria continue to prevail, in particular the price” (Boccia, Rosa, & Covino, 2019, p. 97). Moreover, the impact of CSR on consumers is also moderated by numerous factors, such as demographic and personal characteristics of customers, product and industry (Tian, Wang, & Yang, 2011; Vázquez-Burguete, Sahelices-Pinto, & Lanero-Carriz, 2017), as well as quality, brand, service (Oberseder et al., 2011) and country of origin (Ferreira & Ribeiro, 2017). The present study aims to identify the decisive factors that influence CSR integration into consumer buying behavior and to analyze how and why they influence consumer behavior in Ukraine.

## 1.3. Conceptual framework development

Before purchasing and adopting the product, a consumer goes through various stages of the decision-making process and can terminate the

process at any of the stages (Hassinger, 1959; Thøgersen & Zhou, 2012). To explain how CSR may influence consumers, the Theory of Reasoned Action (TRA) was considered the most appropriate one as it clearly reflects the process of the ethical decision-making process (Fishbein & Ajzen, 1975). Moreover, the Social Cognitive Theory (SCT) (Bandura, 1986) was also involved in the conceptual framework creation as it allows expanding the interconnections of the TRA.

**1.3.1. Cognitive decision-making models**

The TRA is based on the assumption that the individual’s behavior may be predicted by behavioral intention (Glanz et al., 2015). In turn, behavioral intention is determined by the person’s attitudes and subjective norms (Fishbein & Ajzen, 1975).

The application of TRA in the context of ethical consumption was criticized as this model views the purchase decision-making process as a part of the rational thought process, while the consumers’ behavior is not always rational (Crane et al., 2019). Even consumers who have a positive attitude and intention towards purchasing ethical products do not always translate this attitude into the actual purchase (Boccia et al., 2019; De Pelsmaker et al., 2005). This paradox between ever-growing societal demand for CSR engagement and limited involvement of consumers in ethical and sustainable consumption (Oberseder et al., 2011) may be explained by a so-called “attitude-behavior gap” (Auger & Devinney, 2007). The key reasons behind the “attitude-behavior gap” will be discussed later in this paper.

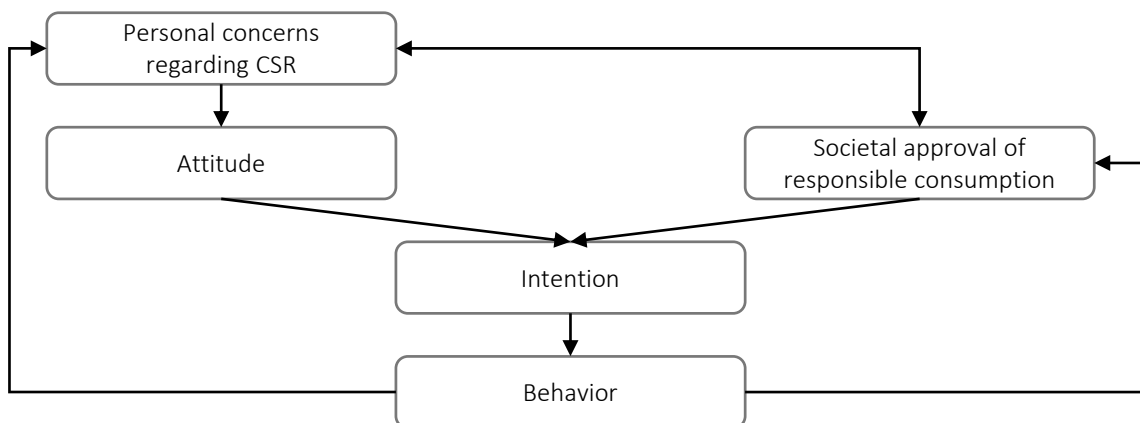
According to the SCT (Bandura, 1986), there is a triadic reciprocal interaction between the individual’s behavior, personal, and environmental factors. Bandura (1986) states that the individual’s behavior is impacted by an individual’s personal and cognitive factors and the environment in which the individual lives (e.g., the opinions of referent individuals, social pressure). This behavior, in turn, affects the individual and the environment. At the same time, individuals can choose the environment and people they communicate with, and in turn, this environment influences their concerns and beliefs.

The TRA and SCT aim to determine the factors that affect the individual’s behavior and explain how these factors interact. However, these two theories have some differences in approaches and definitions of similar stages. For the sake of this study, the commonplaces of these two models were determined and merged, while some of the attributes were renamed to reflect ethical consumer behavior better. In this regard, “Personal factors” were titled “Personal concerns regarding CSR” while “Environment” and “Subjective norms” were merged and renamed to “Societal approval of responsible consumption”, as reflected in Figure 1.

**1.3.2. Key factors impacting CSR integration into the consumer decision-making process**

Based on the comprehensive literature review, it was revealed that the key factors that hinder or enhance the CSR impact on consumer buying deci-

Source: Based on Bandura (1986), Fishbein and Ajzen (1975).



**Figure 1.** Adapted model of the decision-making process based on the merge of TRA and SCT

sion-making process are the level of awareness about CSR, how CSR is communicated to the customers, the type of CSR initiatives and the price difference between ethical and conventional products (Arlı & Lasmono, 2010; Bhattacharya & Sen, 2004; Boccia et al., 2019; Boulstridge & Carrigan, 2000; Du et al., 2010; Fernández & Rajagopal, 2013; Karaosman et al., 2015; Oberseder et al., 2011; Oberseder et al., 2013; Park et al., 2014; Peloza & Shang, 2011; Schmeltz, 2012; Sen et al., 2006). The combination of these factors determines whether consumers will opt to buy responsible products or not.

The CSR-related factors mentioned above affect consumers at different stages of the purchase decision-making process. Mapping these factors to particular stages of the model received in Figure 1 resulted in a comprehensive conceptual framework used as the base of the current study (Figure 2).

Awareness about CSR is a prerequisite for “considering CSR in the purchase process” (Oberseder et al., 2011, pp. 453-454). The level of consumers’ awareness about the organization’s CSR record is positively related to consumers’ attitudes (Pomeroy & Dolnicar, 2009), as depicted in Figure 2. However, awareness itself cannot positively influence the consumer’s attitude toward buying the product as the skepticism about CSR information is considered high (Du et al., 2010). Hence, awareness can contribute to a favorable consumer attitude only if coupled with trust in certain CSR activities. Besides, attitude closely depends on personal concerns, interconnected with societal approval.

Effective CSR communication may increase awareness, foster trust and enhance consumer attitude (Karaosman et al., 2015). Yet, to develop effective CSR communication, practitioners must know what

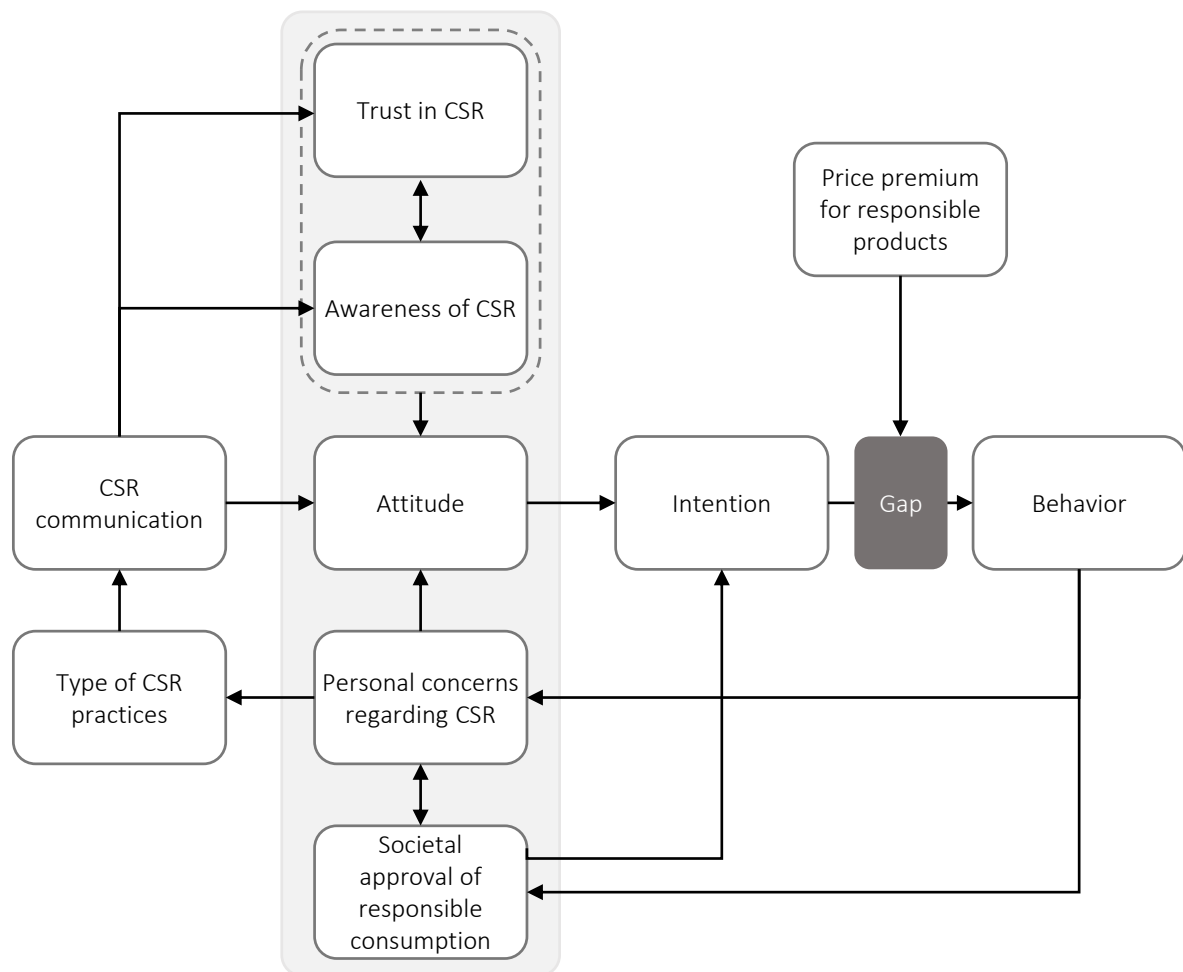


Figure 2. Conceptual research framework



has to be communicated and how it has to be communicated (Kim & Ferguson, 2014). Simply put, the answer to the question “how to communicate” helps enhance trust and reduce consumer’s skepticism or, in other words, it makes communication credible. On the other hand, the question “what communicate” helps the company align its CSR message with consumers’ concerns and values and make communication personally relevant for them. The Elaboration Likelihood Model (Petty & Cacioppo, 1986) illustrates that credibility of communication and its relevance are crucial factors that affect the communication impact and that individuals can process the message and change the attitude only if both criteria are met.

While previously discussed aspects mostly affect customers’ attitude to the company and, as a result, intention to consume sustainable products, the last but not least criterion – price – fills out (or broadens) the “attitude-behavior gap” discussed above (Karaosman et al., 2015), as illustrated in Figure 2.

## 2. HYPOTHESES DEVELOPMENT

As mentioned earlier, this paper aims to explain *how the FMCG industry in Ukraine can shape the CSR strategies to tackle new societal demands and influence consumer buying behavior*. To further specify the focus of the research, four research sub-questions (RSQ) were determined:

RSQ1: *What is the overall level of awareness about CSR activities among consumers in Ukraine?*

RSQ2: *What are the most credible CSR communication practices in Ukraine? How can companies make sure that consumers perceive CSR communication positively?*

RSQ3: *Which CSR types have the greatest relative importance to the consumers in Ukraine?*

RSQ4: *What hinders Ukrainian consumers from purchasing responsible FMCG products?*

Consumers’ low awareness remains the key obstacle “in companies’ attempts to maximize business benefits from their CSR activities” (Du et

al., 2010). No study was conducted so far in order to measure the level of CSR awareness among Ukrainian consumers. Simultaneously, according to the latest Sustainable Development Report (Sachs et al., 2019), Ukraine is still far from reaching Sustainable Development Goal 12, namely ‘Responsible Consumption and Production’ (Sachs et al., 2020). The assumption that responsible consumption is an indirect indicator of the population’s awareness about CSR led the researchers to assume that the level of awareness about CSR in Ukraine is rather low. Moreover, the CSR tradition appeared and developed in Eastern Europe, in general, and in Ukraine, in particular, much later than in Western Europe (Steurer & Konrad, 2009). The concept of CSR in its classical meaning was unknown in the former Soviet Union (Filosof et al., 2012), and after the collapse of the USSR, the ex-soviet republics were more focused on ensuring economic and political stability than on CSR issues. Even though starting in the 2000s, particular businesses started to implement CSR practices in Ukraine (Kurinko, 2016), it was argued that in 2005 the CSR concept as it is perceived in the West “is yet to be introduced in Ukraine” (Vorobey, 2005, p. 219). The working group aimed to develop a National CSR strategy in Ukraine was created only in 2013 (The Verkhovna Rada of Ukraine, 2013). Alas, this group could not finish the strategy development as in 2013–2014, Ukraine had to cope with serious external and internal difficulties. Thus, the work of the National CSR strategy development group was continued only at the beginning of 2016 (Kurinko, 2016). All the mentioned factors bring us to the following working proposition (WP):

WP1: *The level of awareness is still low in Ukraine, which is one of the key reasons for low attitude and intention to purchase responsible products.*

Besides the measurement of the level of awareness about CSR among Ukrainian consumers, another goal of the paper is to answer one of the key questions related to the effectiveness of CSR communication: how the information about CSR has to be delivered to Ukrainian consumers to be perceived as credible, to enhance trust, and to reduce stakeholder skepticism (Du et al., 2010). The majority of studies that investigated the credibility of CSR

communication agree on the fact that information about CSR activities and achievements is better accepted when third parties endorse it and when it is communicated through sources not controlled by the company directly (Du et al., 2010; Kim & Ferguson, 2018; Schmeltz, 2012).

*WP2: CSR communication is more credible for Ukrainian consumers when it is not originated from the company directly or endorsed by third parties.*

Besides being credible, CSR communication also has to be relevant to consumers. To stimulate favorable consumers' behavioral attitude and purchase intention, the company has to focus its CSR communication on the matters (or CSR types) aligned with consumers' concerns (Kim & Ferguson, 2018; Oberseder et al., 2011). According to Pelozo and Shang (2011), CSR may create value for consumers in different ways. They proposed that the CSR in philanthropy and business practices enhance other-oriented value, while the product-related CSR enhances both other- and self-oriented value. It is generally argued that consumers tend to focus on and prioritize self-centered activities or product-related CSR (Pelozo & Shang, 2011; Schmeltz, 2012).

*WP3: Product-related CSR type has the biggest influence on Ukrainian consumers' attitude and intention to purchase the products.*

Considering the facts that price and financial situation of consumers are still the crucial factors that impact consumer buying behavior significantly (Arli & Lasmono, 2010; Boccia et al., 2019) and that ethical and "green" products are usually more expensive than conventional ones, it is logical that the price premium for responsible products is one of the key reasons of a so-called "intention-behavior gap" both in developing and developed countries (Carrington et al., 2010; Karaosman et al., 2015; Oberseder et al., 2011). Consequently, it is plausible that this statement would be relevant in Ukrainian contexts as well, especially considering the facts that in the context of economic crisis, consumers tend to be very cautious and cut spending where possible (Conroy et al., 2015), and Ukraine experienced an economic downturn during the last six years that contributed to increasing

consumers' anxiety. Now, Ukraine is ranked 111<sup>th</sup> in the World Bank's list of countries according to their GDP (PPP) per capita (The World Bank, 2018). Considering the mentioned factors, the following working proposition was formulated:

*WP4: In Ukraine, the price premium is the key reason for the "intention-behavior gap" in the context of the decision-making process related to ethical consumption.*

### 3. METHODS

#### 3.1. Research approach and design

A deductive approach was applied for this study, implying that a theory-based conceptual framework and working proposition were guiding both data collection and analysis. Considering the complexity of the research question and the fact that the current research goal is to explain values and perceptions standing behind consumer behavior, a qualitative single-case study method was chosen for the present paper (McCracken, 1988; Saunders et al., 2007). Furthermore, through the mean of qualitative method, the researchers expect to explore and reveal new findings as to the field of CSR, in general, and the impact of CSR on consumer behavior, in particular, is underexplored in Ukraine. At the same time, it must be kept in mind that as this study adopted a qualitative approach, it has certain limitations inherent in this research design. First and foremost, it is not possible to widely generalize the results of such studies (Oberseder et al., 2011). To ensure the consistency of the case study design, the researchers were guided by the four quality criteria discussed further (Yin, 2014).

#### 3.2. Sampling strategy, data collection, and quality criteria

The empirical data for this study were collected with the help of semi-structured interviews designed based on developed working propositions while simultaneously keeping the overarching research question in mind. To eliminate the risk of researchers' "subjective judgments" that may distort the qualitative study during data collection and to test the research design for construct va-



lidity, the mean of data triangulation was applied (Carter et al., 2014; Yin, 2014). In this regard, the researchers interviewed Ukrainian consumers and CSR experts from FMCG companies based in Ukraine to gain different perspectives on the research topic and make sure that the results will reflect genuine tendencies and trends (Carter et al., 2014). Moreover, to further ensure the accuracy of the research, the preliminary case study results were reviewed by several consumers and expert participants.

The participants were included in this study based on the purposeful sampling approach (Palinkas et al., 2015) in strict accordance with the basic sets of criteria developed for both groups before data collection. The expert sample included representatives of both global and local FMCG players, and the consumer sample was aimed to include participants with diverse demographic characteristics and a certain level of awareness about responsible consumption. A total of 10 face-to-face interviews were conducted in 2020 (5 with experts and 5 with consumers – the overview of interview partners is presented in Appendices A and B) based on the guidelines developed as a part of the case study protocol in order to keep the interviews focused on the key matters, to standardize the process, and to mitigate potential issues during the data collection. The case study protocol that was developed before collecting the case study evidence also ensures the reliability of the research (Yin, 2014).

“Relying on theoretical proposition” (Yin, 2014, p. 136) was the key strategy for the data analysis. This implies that collected data were analyzed within a clear causal frame created by a conceptual framework based on an extensive reviewed literature body (Figure 2). Thus, theoretical triangulation addresses the internal validity quality criterion. Pattern matching technic applied during the data analysis fulfills the criterion of internal validity as well (Miles et al., 2014). The assessment of findings versus chosen theoretical frame and developed working propositions also helped the researchers ensure external validity and generalize the findings of case study research beyond the present study (Yin, 2014). The data obtained during the interviews was coded in CAQDAS Atlas.ti software (Saldana, 2015).

## 4. DATA ANALYSIS AND RESULTS

This section presents the results of analysis of data obtained from the interviews and discusses whether these results support the working propositions derived from the literature.

### 4.1. Awareness of CSR

As mentioned earlier, the consumers chosen for this study already possess some level of knowledge about CSR and sustainable consumption. For this reason, to evaluate the overall level of CSR awareness in Ukraine, only the experts’ answers on this matter were analyzed.

**Table 1.** Examples of expert statements regarding the CSR awareness level in Ukraine

	CSR awareness	
	Factual level	Trend
Expert 1	“I would describe the level of awareness [...] as very low. I suppose that about 2% of the population, in general, have at least some idea of ethical consumption and production”.	“I think the trend is growing, but very slow”.
Expert 3	“The percentage of people who think about the responsibility of companies, about sustainable consumption is small”.	“According to researches [...], people are really looking at the social responsibility of companies”.
Expert 4	“I would say that about 1% (maybe 1.5% or maximum 2%) of all our customers [...] know something about responsibility or are actively involved”.	“I see that people’s awareness is growing. [...] all consumers [...] understand the current global challenges and understand it very quickly [...]”.

All the interviewed experts evaluated the level of awareness in the country as extremely low. Though no earlier study that would measure the level of awareness about CSR in Ukraine was conducted, some of the experts stated that in their opinion, not more than 2% of the Ukrainian population has at least basic information about CSR in general and the efforts of certain companies in particular, while even fewer people base their purchase decisions on this kind of information (Table 1).

According to the experts, the insufficient level of awareness is caused by the absence of CSR com-

munication or the irrelevance of existing communication to consumers. Moreover, the economic instability and, as a result, a low level of income make people focused on the fulfillment of their basic needs; hence, ethical consumption is not one of their key concerns. Simultaneously, the level of awareness in Ukraine is growing and gradually changes consumers' mindset. Most of the participants strongly related the insufficient level of CSR awareness and low purchase behavior of responsible FMCG products.

#### 4.2. CSR communication

The obtained data revealed that experts and consumers interviewed in Ukraine do not have the same CSR communication perspective. The vast majority of experts were convinced that only massive and direct TV and digital communication about CSR and responsible consumption could raise an extremely low level of consumers' awareness. According to the experts, most consumers in Ukraine do not know what greenwashing is and accept the information from the company-controlled sources as trustworthy. On the contrary, the analysis of consumers' answers showed that the coverage does not have to be the only focus of CSR communication strategy in the country – trust in CSR also plays a crucial role in the effectiveness of communication about ethics. Even though the majority of the interviewed consumers do trust in CSR information originated from company-controlled sources, this trust is possible only under certain circumstances in all cases. For instance, some consumers mentioned that they do not trust in CSR communication originated from Ukrainian FMCG companies and in the local eco-labels placed on such products due to the absence of the legal base that would regulate and control the production of responsible products and placement of such labels in Ukraine (Consumers 2, 4). In this regard, consumers admitted that to believe in CSR communication from the company directly, they either need to trust this company in general based on previous experience or to see a lot of evidence and confirmations of particular CSR activity in communication. Some consumers are especially trustful to the information about CSR when it comes from the people they know, from the bloggers they follow on social media and NGOs.

#### 4.3. CSR type

Regarding personal concerns, Ukrainian consumers demonstrated a clear inclination towards environmental CSR. In particular, the majority of interviewed consumers were strongly concerned with the issue of recycling. This is probably caused by the fact that 94,6% of the waste in Ukraine is still sent to landfills: only 3% of solid waste in Ukraine is recycled, and 2,4% is incinerated (Kuryshko, 2018). Moreover, the government almost not addressed this problem (Cherinko & Balanyuk, 2018; Karhova, 2018). Simultaneously, the experts have highlighted that due to the absence of proper infrastructure for recycling in Ukraine, only the most conscious consumers are ready to sort the garbage; hence, not many consumers are paying attention to it when buying FMCG products. Yet, when no extra efforts are required from consumers, they perceive the responsible packaging initiatives very positively (Expert 3).

However, even if for all the interviewed consumers, sustainable packaging is very important when purchasing FMCG products; it is usually not the first criterion. The most important factor that positively impacts consumers' concerns, attitude, and, as a result, purchase intention is ingredients. Bio or natural ingredients were mentioned considerably more often than other CSR types as the key factor consumers pay attention to when buying FMCG products. All the consumers were unanimous about this and strongly supported by the experts as well:

“It's absolutely certain that the consumer is most interested in and motivated to buy the “green” features that are integrated into the product. Now there is a great demand for everything “natural”, emphasis on the ingredients” (Expert 1).

“For people, what is inside matters most: it's the quality of the product and its ingredients. It affects the purchase decision most” (Expert 4).

Consumers prefer biological ingredients because such products are both safe for them personally and for the environment (Consumer 5), as well as because the information about ingredients is easily accessible on the packaging; hence, they do not need to spend time on finding it: “I pay attention

first of all on the ingredients of the product, as it is the easiest criterion to know - you can just read it on the package. Simply because this information is on the surface, I don't need to look for it on purpose" (Consumer 2). Some consumers also mentioned that other CSR aspects and types, such as environmentally friendly business practices, are also important for them and would have an impact on their buying behavior if they would know about them, or in other words, if such information would be explicitly communicated (Consumer 2).

According to Ukrainian experts, to make an impact on consumer buying behavior, "CSR initiatives must be absolutely local" (Expert 1). All the interviewed consumers, indeed, confirmed that they would prefer the products of the companies that implement their CSR strategies and activities within Ukraine.

#### 4.4. Intention-behavior gap

Most interviewed consumers mentioned that they are ready to pay more for responsible products, especially if the price difference is not significant. At the same time, most of the consumers interviewed in Ukraine have higher than average income; hence, their answers to this question cannot be generalized to the whole Ukrainian population.

As for the experts' point of view, all of them repeatedly mentioned that the price premium is a huge barrier that hinders the wider public from purchasing FMCG products of responsible companies (Expert 3, Expert 4). Simultaneously, it was emphasized that when the consumers have a really deep understanding of why it is important and better to buy responsible products, the obstacle of the price premium is partly eliminated (Expert 4).

Among other barriers between the desire to buy responsible products and the actual purchase, Ukrainian consumers also mentioned accessibility, level of performance, the comfort of "green" products, and the issue that many products are only partly "green" (e.g., when the ingredients are sustainably sourced, but the packaging is not sustainable) (Consumer 1, Consumer 5).

Both consumers and experts admitted that the level of ethical consumption is growing (though not very fast and not at the same pace in the big cities

and in rural areas), and they are convinced that it will develop even more in the future. However, in light of the COVID-19 outbreak, Ukrainian experts were rather pessimistic regarding the future scenarios. The COVID-19 lockdown may have a deeply devastating aftermath for the country going through the economic crises even before the pandemic. In this case, they expect that consumer concerns about CSR and sustainable consumption will eliminate dramatically as consumers will become even more price-sensitive (Expert 4).

## 5. DISCUSSION AND HYPOTHESES TESTING

In the current section, the researchers discuss whether the results of the analysis of collected data support the research hypotheses.

The first hypothesis was well-supported during the data analysis. This means that the data collected for this study evidenced that the level of awareness of CSR is still very low in the Ukrainian context, and this is the key reason why consumers do not consider CSR the purchase criterion when choosing FMCG products (Karaosman et al., 2015; Oberseder et al., 2011; Sen et al., 2006). Simultaneously, the level of awareness in Ukraine is gradually growing, there is a significant trend aimed at sustainability, and this trend is gradually changing the mindset of particular consumers and the whole society forming new patterns and consumer habits.

The collected data only partly supported the second hypothesis. It turned out that even though interviewed Ukrainian consumers are looking for some kind of confirmation and endorsement of CSR information (Du et al., 2010; Kim & Ferguson, 2018), the wider pool of consumers in Ukraine apparently trust the CSR information communicated directly by the company more often.

Hypothesis 3 was strongly supported by data analysis. Collected data provided sufficient evidence that Ukrainian consumers' buying behavior is primarily affected by product-related CSR type (most notably, ingredients but also the sustainability of the packaging), which supports the conclusions of Pelozo and Shang (2011).

Interestingly, Ukrainian consumers prefer the CSR activities conducted in their own country to the point that geographical context may impact their buying behavior, which corresponds to the findings of Torres et al. (2012) and Karaosman et al. (2015).

Hypothesis 4 was also well supported by the findings of this study. The higher price of responsible products is meant to be the key obstacle between consumers' intention to purchase responsible companies' products and the actual purchase (Carrington et al., 2010; Karaosman et al., 2015).

The importance of this barrier may be increased even further by the COVID-19 outbreak. The economic downturn caused by the COVID-19 lockdown will most likely have the strongest negative effect on developing countries and lower-income class consumers (Advantix Digital, 2020; Conroy et al., 2015). Consequently, this may indeed result in the situation when consumers affected by the economic crisis will be induced to switch to more affordable products. However, it is hard to predict how the COVID-19 pandemic will influence responsible products' consumption as the whole picture of the COVID-19 aftermath is still not clear.

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## CONCLUSION

This study revealed that the impact of CSR on consumer buying behavior is still modest in Ukraine. The key reason for the limited role of CSR in the consumers' decision-making process is the low level of awareness about CSR. Thus, the companies have to focus on raising consumers' awareness first.

Product-related CSR activities have the biggest influence on consumers' buying behavior in Ukraine. Hence, the FMCG companies have to pay particular attention to adapting their products' ingredients and the development of sustainable packaging. Moreover, managers have to think about supporting their communication about sustainable ingredients and packaging with trustworthy labels. Simultaneously, the interviewed experts emphasized that due to the low level of CSR awareness, it is better to concentrate on CSR communication coverage than credibility. In this case, practitioners may try to find a compromise between these two CSR communication-related goals. Besides, a place has to be concerned when developing, implementing, and communicating CSR activities as the collected data demonstrated that Ukrainian consumers strongly prefer when responsible actions of FMCG companies take place in their own country.

In Ukraine, the price premium is the key reason that explains the discrepancy between consumers' intentions and actual behavior in the context of responsible consumption. Consequently, it has to be figured out what range of price premium consumers can pay for responsible products and manage the pricing accordingly where applicable. In general, the growth of responsible product consumption in Ukraine evidence that the societal demand for CSR is gradually increasing in the country, meaning that FMCG companies have to shape (or in some cases start to develop) their CSR strategies and communication accordingly. In this way, they can increase their chances of winning consumers' loyalty and trust.

## AUTHOR CONTRIBUTIONS

Conceptualization: Claus-Heinrich Daub, Ganna Lobachevska.

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Formal analysis: Ganna Lobachevska.

Investigation: Ganna Lobachevska.

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Supervision: Claus-Heinrich Daub.

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## APPENDIX A

**Table A1.** Overview of experts participated in the interviews

Participant	Company	CSR adoption level	Position
Expert 1	Large FMCG distributor with own production (UA-based)	No CSR strategy, fragmented CSR activities	Private label director
Expert 2	P&G Ukraine	Well-developed CSR strategy	Corporate communication and CSR
Expert 3	Large producer of bottled water (UA-based)	CSR strategy is being actively developed; several CSR projects were launched over the last few years	Communication manager (involved in CSR projects)
Expert 4	Second largest retail chain in Ukraine (UA-based)	CSR strategy is being actively developed; several CSR projects were launched over the last few years	Senior project manager
Expert 5	Consulting company “Center of CSR development”	Well-developed CSR strategy	Founder and CEO

## APPENDIX B

**Table B1.** Overview of consumers participated in the interviews

Participant	Age	Gender	Income	Level of responsible consumption adoption
Consumer 1	31	Male	Higher than average	Medium/high
Consumer 2	32	Female	Higher than average	Low
Consumer 3	35	Female	Higher than average	Medium/high
Consumer 4	30	Female	Higher than average	Medium
Consumer 5	28	Female	Higher than average	High