

Round Up to Give Back: Are Consumers Willing to Pay More for Socially Sustainable Efforts of Food Retailers?

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Abstract

As one of the triple bottom line dimensions of sustainability, social sustainability is one of the least explored. In contrast to the other dimensions, social sustainability is more complex as its reference point – the society – can be interpreted at different levels. Therefore, depending on the frame of reference, consumers might consider social sustainability to a different extent. Applying Construal Level Theory, using psychological distance and varying construal levels, message frames are created for an online experiment. In the online experiment, the effects of the message frames on different types of willingness to pay (willingness to pay more vs. willingness to round up payments) for socially sustainable projects are measured. The results indicate a willingness to round up payments for socially sustainable projects, especially for congruent message framing and local projects. Overall, communicating socially sustainable efforts publicly seems to be beneficial for food retailers.

Keywords: social sustainability, construal level theory, willingness to pay

Track: Advertising & Marketing Communications

1. Introduction

Sustainability remains an important and contemporary topic as highlighted by the Sustainability Development Goals in the 2030 Agenda of the United Nations (Desa, 2016). To achieve these goals, the 2030 Agenda emphasizes that all parts of society are responsible for their actions (Desa, 2016). Hence, consumers need to change their behavior (Terlau & Hirsch, 2015), while companies should focus on their sustainable impact and how to encourage consumers' sustainable consumption (Bocken, 2017).

So far, especially in the food industry, advertisements often encourage sustainable behavior by only addressing the environmental dimension (Bogomolova, Carins, Dietrich, Bogomolov, and Dollman, 2021). Simultaneously, research has mainly focused on the environmental dimension of sustainability (Eizenberg & Jabareen, 2017). However, according to Elkington (1997), sustainable development can be achieved by setting not only environmental but also social and economic company goals. From these triple bottom line dimensions of sustainability, social sustainability is one of the least explored in research (Balderjahn, Peyer, and Paulssen, 2013b; Hediger, 2000) and rarely considered in practice (Saber & Weber, 2019).

One reason for this might be, that in contrast to the environmental dimension, social sustainability is more complex in its elaboration. Social sustainability refers to consumption that is based on "a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society" (Mohr, Webb, and Harris, 2001, p. 47). Thereby its focal reference point – the society – can be interpreted at different levels. Its encompassed aspects such as fair labor or business practices (Balderjahn et al., 2013a) can be interpreted in a narrow to a broader way. Depending on the frame of reference, consumers might consider social sustainability to varying degrees. In this regard, socially sustainable development can also occur on a local level, i.e., caring for communities (Balderjahn et al., 2013a), however, research on this sub-dimension is still rare (i.e., Howard & Allen, 2008; Parsa, Lord, Putrevu, and Kreeger, 2015).

Against this background, this study explores social sustainability as a relevant aspect of marketing practice to encourage sustainable consumer behavior. Applying Construal Level Theory (Liberman, Trope, and Wakslak, 2007), using psychological distance and varying construal levels, message frames are created for an online experiment and their effects on different types of willingness to pay are measured.

2. Theoretical Background

Construal Level Theory is often used to explain the effect of psychological distance on individuals' behavior (Trope, Liberman, and Wakslak, 2007), which can be mentally construed at different levels (Trope & Liberman, 2010). The theory distinguishes high- and low-level construals, representing abstract and concrete representations of objects, respectively (Dhar & Kim, 2007). The construal level is majorly determined by the psychological distance to an object from the self (Fujita, Trope, Liberman, and Levin-Sagi, 2006) and occurs on one or more dimensions: temporal, spatial, social, and hypothetical (Bar-Anan, Liberman, and Trope, 2006). Overall, Construal Level Theory argues that increased (decreased) psychological distance leads to abstract (concrete) representations, namely high-level (low-level) construals (Trope & Liberman, 2010).

So far, only a few studies have discussed the effects of socially sustainable efforts using Construal Level Theory, indicating that purchase intentions increase (decrease) for low-level (high-level) construals (Kossmann, Veloso, and Gómez-Suárez, 2021). However, research on Construal Level Theory suggests that the effectiveness of advertisements depends on the interplay between construal levels and psychological distance, showing that congruency between these two aspects is more effective (Jäger & Weber, 2020; Kim, Rao, and Lee, 2009; Schrage, Hubert, and Linzmajer, 2017). Therefore, we assume that besides (1) a general, higher willingness to pay for socially sustainable efforts, (2) congruent message frames for socially sustainable efforts (near/concrete and distant/abstract) are more effective than incongruent ones (near/abstract and distant/concrete).

3. Method

In this study, a between-subject design online experiment was conducted. Projects for children were chosen as a food retailer's socially sustainable efforts. The socially sustainable efforts groups differed regarding psychological distance through the spatial dimension (2 levels: localization of the project – in **local** hometown vs. in a **foreign** city) and construal level (2 levels: description of the project – **concrete**, detailed vs. **abstract**, more general). A neutral advertisement, describing general benefits (i.e., variety in assortment), was presented as the control condition. Each participant received one randomly assigned condition as treatment. Two different types of willingness to pay assessment were used: (1) willingness to pay a price premium for products to support socially sustainable efforts of the food retailer

(WTP_{Premium}) and (2) willingness to round up the amount of payment to the nearest EUR to support socially sustainable efforts of the food retailer (WTP_{Round}). The final sample consisted of 257 cases (57.2% female, $M_{age} = 34.29$, $SD_{age} = 13.15$).

4. Results

To test the hypotheses, we performed two ANOVAs with the group as a factor and willingness to pay measures as dependent variables. WTP_{Round} was log-transformed to fulfill test requirements of normality. The overall ANOVA for WTP_{Round} was found to be significant (table 1a), whereas for WTP_{Premium} no such effect could be identified (table 1b). As a follow-up analysis on WTP_{Round}, we performed pairwise comparisons with Bonferroni correction between the groups (table 1c). WTP_{Round} was significantly higher for three of the socially sustainable efforts groups (local/concrete, local/abstract, and foreign/abstract), compared to the control group, indicating that advertising socially sustainable efforts can have positive effects on WTP_{Round}. Thereby, congruent socially sustainable efforts groups (local/concrete and foreign/abstract) have higher effect sizes than the incongruent local/abstract socially sustainable efforts group. Comparisons of effect sizes between the two congruent groups indicate a higher effect size for the local/concrete group, showing that low-level construals might perform somewhat better than high-level construals.

a) ANOVA for WTP_{Round}						
Source	Type III SS	df	MS	F	p	η^2
Total	4079.543	257				
Group	27.061	4	6.765	4.498	.002	.067

b) ANOVA for $WTP_{Premium}$						
Source	Type III SS	df	MS	F	p	η^2
Total	4841.333	257				
Group	4.848	4	1.212	0.628	.643	.010

c) Pairwise comparison							
Comparison	SSE group			t	df	$p_{Bonferroni}$ ($p_{uncorrected}$)	Cohen's d
	N	M	SD				
L/C vs. control	47	4.1149	0.63559	3.405	101	.002 (.001)	.674
L/A vs. control	58	3.9014	1.01105	2.638	112	.024 (.010)	.494
F/C vs. control	46	3.7808	1.30281	1.871	100	.177 (.064)	.372
F/A vs. control	50	3.9789	1.08130	2.723	104	.012 (.008)	.530

Note Control descriptives $N = 56$, $M = 3.1982$, $SD = 1.75032$ L/C = local/concrete, L/A = local/abstract, F/C = foreign/concrete, F/A = foreign/abstract

Table 1: Statistical results of the ANOVAs and pairwise comparisons.

5. Discussion

Concluding, this study indicates a higher willingness to pay for socially sustainable efforts, especially when communicated congruently according to Construal Level Theory. Simultaneously, there is a stronger effect of willingness to pay for low-level construal socially sustainable efforts, indicating a potential for food retailers to achieve sustainable goals on a local level. Future research should investigate other types of psychological distance (i.e., temporal) for more robust evidence.

As an additional insight, we compared different types of willingness to pay. Our findings suggest that opportunities for consumers to financially support the socially sustainable efforts of food retailers should not be offered through a general price premium on products ($WTP_{Premium}$). Instead, actively approaching consumers via a voluntary additional charge when paying (WTP_{Round}), which has a low-threshold behavioral barrier, seems to increase consumers' willingness to support socially sustainable efforts, especially for local projects. Overall, it seems that it is beneficial for food retailers to communicate their socially sustainable efforts publicly, demonstrating a potential funding opportunity.

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