CORPORATE SOCIAL RESPONSIBILITY IN THE INFORMATION TECHNOLOGY SECTOR

A FOCUS GROUP STUDY ON HOW EUROPEAN CONSUMERS VIEW CSR AND CORPORATE BEHAVIOR

Maximilian Bartscht

335148

Supervisor: Dr. Vidhi Chaudhri

Master Media Studies

Media & Business

Erasmus School of History, Culture and Communication

Erasmus University Rotterdam

Master Thesis

June 2013

ABSTRACT

Following the 2008 economic crisis, consumer trust has significantly declined across many industries—with exception of the information technology (IT) sector. This provokes a number of interesting questions: is consumer perception of corporate behavior undergoing change? And if so, why does this—seemingly—not apply to the IT industry? By drawing on data from three in-depth focus group sessions, the author interrogates European consumer perceptions and attitudes regarding corporate social responsibility in the IT sector. Fundamentally, the thesis attempts to answer three key questions: (1) how do European consumers feel about CSR? (2) How do they view the behavior of IT companies? And (3), what, if any, is the difference in European consumer perception of CSR in the IT sector compared to other industries?

Keywords: corporate social responsibility, consumer behavior, corporate communication, information technology, sustainability.

ACKNOWLEDGEMENTS

If we knew what it was we were doing, it would not be called research, would it?

– Albert Einstein

Maybe it is one of the pleasures of writing a graduate thesis that one does not know at the outset where the journey leads. The journey is the destination, really. Or, as Robert Louis Stevenson put it in 1881, 'to travel hopefully is a better thing than to arrive'. For now, that I am about to arrive, it also marks the end of my university career—a wonderful journey full of laughter, learning, great friends, and the thrill of uncertainty.

I did not perceive writing this thesis as a daunting task. On the contrary, I found it an enjoyable endeavor, just as I hope that you will enjoy reading it. But I must admit that, while all beginnings are difficult, those of academic theses are *especially* difficult. If I have succeeded, it is by standing on the shoulders of giants, of whom there are several.

I want to thank Vidhi Chaudhri for her guidance and invaluable advice—I am grateful for your patience and encouragement. Likewise, I would like to thank the study participants, without whom this research would not have been possible.

To my parents and grandparents—you are the biggest of all the giants. Ohne Eure Unterstützung wäre dieses Studium nie möglich gewesen. Ich hoffe, Ihr seid ein bisschen stolz. To Ines – thanks for being there always and putting up with me at home. Sretan sam da te imam. Lastly, to my friends—if you are reading this, I'll buy you a beer.

TABLE OF CONTENTS

ABBREVIATIONS

B2B	Business to business
CC	Corporate citizenship
CPU	Central processing unit
CSP	Corporate social performance
CSR	Corporate social responsibility
EU	European Union
ICT	Information and communication technology
IT	Information technology
MNC	Multinational corporation
NGO	Non-governmental organization
NSA	National Security Agency; a United States intelligence agency
OECD	Organization for Economic Co-operation and Development
ROI	Return on investment
UN	United Nations
URL	Uniform resource locator (or web address)
WBCSD	World Business Council for Sustainable Development

CHAPTER 1

INTRODUCTION

In 2008, the world economy experienced a serious crisis. This was not capitalism's first, nor its worst fiasco, but it signaled fundamental problems. Today, we are still suffering from the aftermath of this crisis; and as the prospects for a quick recovery are dim, many people are beginning to question the foundations of the global economic and political system. This process is compounded by several noteworthy developments: many Western economies are experiencing a persistent trend towards greater income inequality. At the same time, public trust in corporate and governmental institutions is on the decline (Coyle, 2011).

American writer and political advisor Jeremy Rifkin asserts that the way that people perceive economic activity is undergoing change (2011). In his latest book, *The Third Industrial Revolution* (2011), Rifkin argues that we have arrived at a point where a resolute pursuit of economic growth is provoking a societal backlash. Robert Skidelsky, Professor of Political Economy at the University of Warwick, and his son Edward Skidelsky, lecturer in moral philosophy at Exeter University, go so far as to suggest that in most developed nations the pressure for sustained economic growth has in fact cost us the 'good life' (2012). They argue that while capitalism has improved the human condition immensely, it has also stimulated an insatiable appetite for material gain, and promoted greed, envy, and other ignoble human characteristics. This notion of growth skepticism exists not only on a macro level.

CORPORATE BEHAVIOR: A GROWING CONCERN

The idea that excessive greed is to blame for the current recession has revived debate about the legitimacy of business. Some economists are asking whether profit should be the sole purpose of business, or whether industry should be more concerned with its effects on society. This question certainly is not new. But in the wake of the financial crisis it might be more relevant than ever. With public trust in corporate institutions eroding, there is a heightened demand for better corporate citizenship.

The *European Trust & Purpose Survey 2011*, commissioned by global communications firm Burson-Marsteller (2011), suggests that European consumers are growing increasingly cynical about corporate motivations: the majority of people believe that

companies put financial interests first and public concerns last. In fact, nearly two thirds of respondents said they view corporations as dishonest and believe that most communications from companies are lies. Overall, the study shows, trust in multinationals decreased by 36 percent over the two years following the financial crisis, and trust in CEO's diminished by over 50 percent. Other studies show similar results. The most recent edition of the annual *Edelman Trust Barometer* (Edelman, 2013) indicates that less than one fifth of the general public trusts business leaders to tell the truth. Likewise, only one in five people believe that managers make decisions based on ethical and moral considerations.

At the same time, information technology is confronting business with new challenges. As the Internet provides increasing opportunity for the scrutiny of corporate behavior, stakeholders have unprecedented access to corporate information. Much of what a company says and does is now recorded on the Web. And when stakeholders oppose certain corporate behavior, the speed and ease of technology significantly reduces the difficulty of organization, enabling them to inexpensively coordinate protest on public platforms. Companies, on the other hand, find it more difficult to gather their resources and successfully coordinate a response (Argenti, 2006). Never has it been easier for antagonists to attack corporations publicly. This underscores the need for socially responsible business practice.

INFORMATION TECHNOLOGY: THE ODD ONE OUT

One sector that has been left virtually untouched by the downward trend in consumer trust is the information technology (IT) sector[1]. According to Burson-Marsteller (2011), the IT industry continues to enjoy high levels of consumer trust: with approval ratings of 71 percent and 69 percent respectively, computer technology and online services represent the most trusted industries sectors in the *European Trust & Purpose Survey 2011*. This is mirrored by the *Edelman Trust Barometer 2013*, which ranks technology as the most trusted sector worldwide. This might come as a surprise to the critical observer. Curiously, just this industry has come into the focus of EU regulators and consumer rights advocacy groups in the recent

---

[1] Some authors or institutions refer to IT as ICT (Information and Communication Technology), a term that is more common in the public sector. While there might be minor differences between the two concepts, I treat both terms synonymously in the context of this study. In my understanding, both terms include industries that are primarily engaged in producing goods or services, or supplying technologies, used to process, transmit or receive information (e.g. computers or telecommunications) (cf. Organization for Economic Co-operation and Development [OECD], 2002).

past; Internet service providers such as Google are increasingly subject to scrutiny with regard to the potential abuse of user data.

As the Internet changed from a mere information provision system into a system that is increasingly centered on communication and community building, more and more web-based tools encourage the migration of sensitive personal data onto the Web (Fuchs, Boersma, Albrechtslund, & Sandoval, 2011). This gives companies such as Facebook or Google considerable power over consumers. It implies the potential for user surveillance. In theory, many IT companies today have myriad opportunities to exploit user data, for example through systematic evaluation for the purpose of targeted advertising.

Together, these developments place an ever greater need for responsible behavior on companies. From an ethical standpoint, increasing control over sensitive consumer data comes with increasing responsibility. From a public relations perspective, the growing exposure of corporate activity demands increasing accountability from companies.

RESEARCH PURPOSE AND OVERVIEW

This study explores the (European) consumer perspective on CSR in the IT sector. More specifically, it attempts to answer three main questions:

1. How do European consumers view CSR?
2. How do European consumers view the behavior of IT companies?
3. What, if any, is the difference in European consumer perception of CSR in the IT sector compared to other industries?

To date, scientific literature remains ambiguous about the consumer effects of CSR. This is complicated by the fact that existing research is often conducted in other sectors. Consumer effects, however, may be industry-, or even product-specific, or mediated by cultural variables (Matten & Moon, 2008). This study contributes to the literature by explicitly considering, in a European context, CSR communication in the IT sector.

Before investigating the consumer perspective, however, I undertake a brief review of CSR activities in the IT sector, outlining how leading IT companies frame their CSR. This is to gauge how they are responding to the implied need for responsible behavior, and to further a basic understanding of the field. Roughly, the paper proceeds as follows:

Chapter 2 presents an overview of relevant literature on the topic of corporate social responsibility. I begin by briefly discussing the historical development of the term, arriving at popular definitions, and demonstrating the similarities with related concepts. Subsequently, I touch upon key issues of the CSR debate, such as its effects on corporate reputation and consumer purchasing intention and attitude, and discuss criticism and concerns. Lastly, I look at CSR in the IT industry. Chapter 3 briefly recapitulates the main research questions and sub-questions.

Chapter 4 provides a detailed overview of the empirical research process. It touches upon the research perspective and discusses both data collection and analysis. It also presents findings from the preliminary study and the pilot test. Chapter 5 contains the findings from the focus groups and identifies key themes that emerged across the three sessions. These are organized around the three core concerns of this research: consumer perceptions of CSR, consumer views on corporate behavior and views on the IT industry in particular. Chapter 6 discusses the most important findings. It provides an overview over the limitations of the current study and offers possible avenues for further research. It also presents a number of implications for practitioners, and the conclusion.

CHAPTER 2

THEORETICAL FRAMEWORK

This chapter presents an overview of relevant literature on the topic of corporate social responsibility (CSR). I begin by briefly discussing the historical development of the term, arriving at popular definitions, and demonstrating the similarities with related concepts. Subsequently, I touch upon key issues of the CSR debate, such as its effects on corporate reputation and consumer purchasing intention, and discuss criticism and concerns. Lastly, I look at CSR in the IT industry.

THE EMERGENCE OF 'CORPORATE SOCIAL RESPONSIBILITY'

The concept of corporate social responsibility has been discussed (and applied) for several decades (World Business Council for Sustainable Development [WBCSD], 1999). At its core, it revolves around the belief that businesses have responsibilities to society that extend beyond the generation of wealth (Carroll, 2007). In practice, some of the first great entrepreneurs, such as Andrew Carnegie or Henry Ford, have already assumed social responsibility for their business environment in the early 20th century – for example by providing housing or health programs for their employees (Smith, 2003). The term 'Corporate Social Responsibility' first appeared in 1953 when Bowen (in *Social Responsibilities of the Businessman*) constituted that entrepreneurs have a responsibility to adhere to the expectations, goals, and values of society (Bowen, 1953).

As the term suggests, the concept of CSR has historically been focused on the social component of corporate responsibility (Bassen, Jastram, & Meyer, 2005). However, today's definitions of CSR have a much broader concept of responsibility. The European Commission, for example, views CSR as a "concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission, 2001, p.6). At the heart of CSR thus lies the notion of expanding the core purpose of a company—to generate economic profit—to include the task of contributing to the welfare of society, taking into account both social and ecological aspects.

Toward a Definition

CSR remains a complex and controversial concept, because different actors—according to their personal interests—assign different meaning and varying degrees of significance to each of its elements (Garriga & Melé, 2004). Bassen et al. (2005) illustrate this dilemma. Take Amnesty International, for example: as a human rights organization, it states that CSR revolves primarily around the prohibition of discrimination. Environmental organizations, such as WWF, on the other hand, would like to see ecological aspects in the center of the debate. From the perspective of investors, however, CSR might include entirely different elements altogether, such as risk reduction or transparent reporting. Also, there is disagreement over the normative implementation of CSR. While companies, under the premise of economic competitiveness, wish for CSR to remain a voluntary principle, several NGOs are fighting for more regulation and tighter laws (Bassen et al., 2005).

The diversity of opinions on CSR also characterizes the academic field, which touches upon a wide range of disciplines, theories, and approaches. It has produced a large body of literature that spans a variety of issues including corporate accountability, stakeholder management, or even public policy. CSR is also elemental to the field of public relations (Capriotti & Moreno, 2007). Edward L. Bernays once said that "public relations is the practice of social responsibility" (as cited in Grunig & Hunt, 1984, p. 47).

Carroll calls CSR "an eclectic field with loose boundaries", stressing that the mapping is relatively poor (as cited in Garriga & Melé, 2004). This is further complicated by incoherent terminology. Some scholars use the same words to describe different concepts; others use different words to mean the same. As a result, CSR has also been called other names, like corporate citizenship, or corporate sustainability (see p.8, 'Related Approaches'). According to Bassen et al. (2005), corporate social responsibility is a dynamic concept that reflects the social discourse around the moral responsibility of enterprises for the environmental and social consequences of their activities. Bassen et al. thus locate CSR within the field of stakeholder theory and constitute that it builds on the concepts of sustainability, corporate citizenship and corporate governance, spanning elements of economic, environmental and social responsibility.

I will introduce two of the more commonly cited definitions. According to the World Business Council for Sustainable Development (WBCSD), corporate social responsibility implies "the commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (WBCSD, 1999, p.3). Another popular definition

was offered by Archie Carroll, management professor and an authoritative voice in the CSR debate: "Corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time" (Carroll & Buchholtz, 2000, p. 35). Carroll views these responsibilities as consecutive layers of a pyramid (cf. Figure 2.1, p. 8). According to Matten (2006), this 'Four-Part Model of Corporate Social Responsibility' is perhaps the most widely recognized model of CSR. An advantage of the model is its pragmatism. By portraying the firm's economic responsibilities as the basis for all subsequent responsibilities, it acknowledges the bottom line pressures that many managers face today. That gives it certain descriptive accuracy. On the other hand, Matten states that the model is rather simplistic. For example, it does not address the problem of conflicting responsibilities, or reflect CSR in a global context. In fact, Matten suggests that Carroll's conception of CSR is heavily biased towards the American understanding of CSR. To this criticism one might add that the hierarchical ordering of responsibilities proposes only a modest extension of the neoclassical perspective of the firm. Arguably, the image of a pyramid conveys the impression that ethical responsibilities are an add-on, rather than an integral part of a company's core business (see p.9, 'Strategic CSR').

Garriga and Melé (2004) divide CSR theories into four categories. The first group is formed by the instrumental theories. These theories are grounded in economics; they understand CSR as means to only one end—the creation of wealth. In accordance with Friedman (1970), they view the corporation as an instrument whose sole social responsibility lies in producing profit. That means that social benefits are only accepted if they advance a company's profit goals. CSR activities are thus desirable if they increase shareholder value or build competitive advantage. This approach has been criticized because it leads companies to support social causes only when consumer concern can be exploited for monetary gain (Smith & Higgins, 2000). The second category includes the political theories. Political theories emphasize the social power of the corporation in relationship with society. They assert that companies acknowledge certain social duties in exchange for political cooperation, i.e. to avoid restrictive regulation. Integrative theories hold that business depends on society for its continuity and growth. Acting on social demands stems from 'enlightened self-interest' as organizations and society are interdepended. Hence businesses should operate in line with social values; otherwise they cease to exist. A fourth category views CSR from an ethical perspective, putting ethical obligation above anything else. These are termed the ethical theories (Garriga & Melé, 2004).
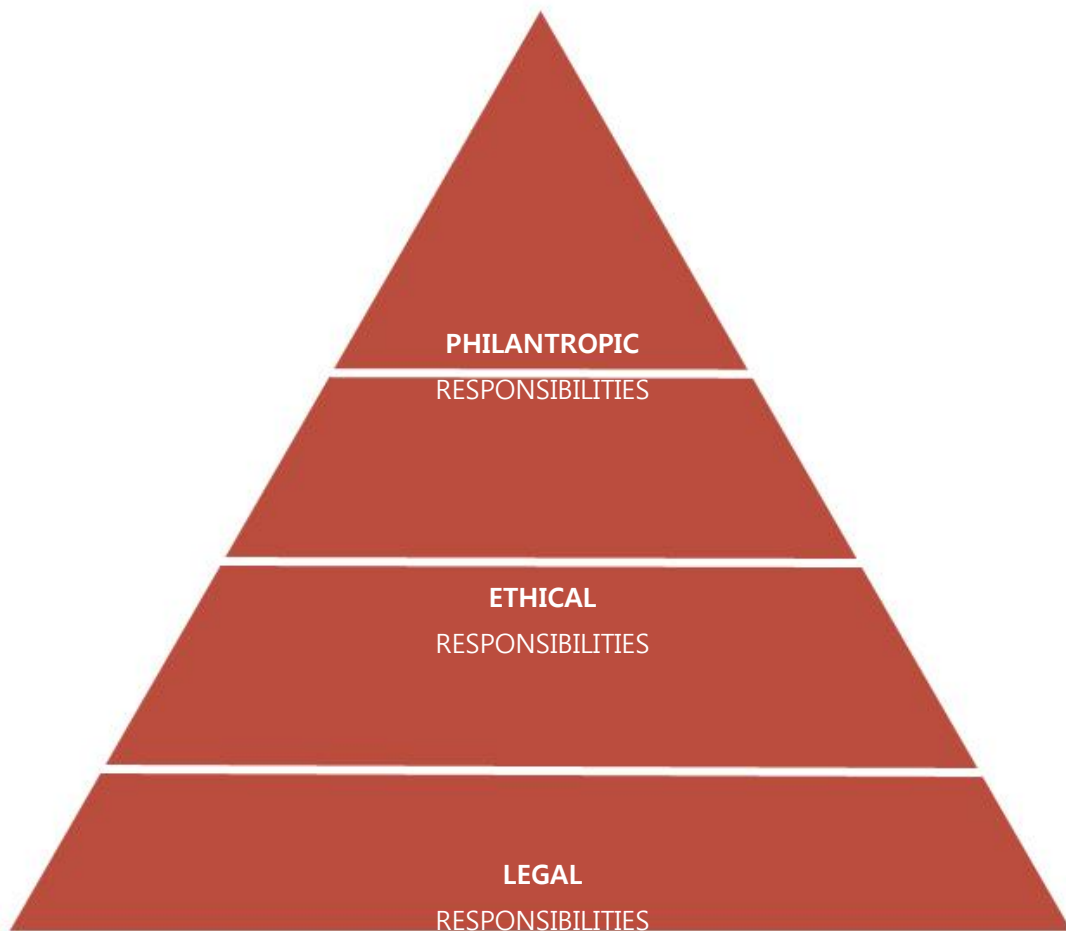
FIGURE 1 Carroll's (1991) Pyramid of Corporate Social Responsibility.

When synthesizing their findings, Garriga and Melé (2004) note that most current CSR theories revolve around at least one of four aspects: (1) meeting objectives that produce long-term profits, (2) using business power in a responsible way, (3) integrating social demands and (4) contributing to a good society by doing what is ethically correct. In essence, this classification roughly corresponds to Carroll's (1991) categories of responsibility described earlier.

Related Approaches

A number of scholars note that the term 'CSR' is often used interchangeably with related concepts such as sustainability or corporate citizenship (Garriga & Melé, 2004; Bassen et al., 2005). I will briefly explore differences and similarities between these approaches.

The United Nations defines sustainability as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations World Commission on Environment and Development, 1987, p. 8). In this initial conception, emphasis was put on the aspect of environmental protection. However, it was later extended to include economic and social sustainability, yielding what is now the 'Three-Pillar Model' of sustainability (Bassen et al., 2005). In its entirety, the concept of sustainability thus goes a step further than CSR, in that it not only includes the responsibility of a company towards its current stakeholders, but even the responsibility towards future generations.

Corporate citizenship (CC) builds on the notion of corporate personhood. If corporations are to be regarded as artificial persons, they have many of the same rights, but also similar responsibilities as natural people do; one can thus expect from them the same contribution as from any citizen (Crane, Matten, & Moon, 2004). According to the European Commission, CC can be described as "formation of the entire relationship between a company and its local, national and global environment" (European Commission, 2001, p.28). The focus of CC thus lies on the interplay of corporations and the communities in which they operate. Consequently, it can be argued that CC, in contrast to sustainability, is a narrower concept than CSR, for CSR also encompasses the relationships with other elements of the value chain, e.g. employees or suppliers.

The concept of corporate governance (CG) is even more specialized: it is concerned with the control structures of management activity, e.g. compensations, supervisory boards, etc. The basic goal of CG is to warrant that a corporation is run in the interests of its shareholders (Allen, 2005). However, this view can be expanded to include other stakeholders. After all, corporate scandals, such as the massive accounting fraud discovered at Enron in 2001, have shown that the prevention of management errors, along with the promotion of corporate accountability and risk reduction, eventually benefit all of society. Nevertheless, CG is a much more limited concept than CSR.

What one can derive from this brief overview is that the notions of corporate governance and corporate citizenship are much rather subcomponents of CSR, as opposed to equal concepts. Sustainability, on the other hand, reaches even further. Considering, however, the fluidity of both concepts, I believe it is a close equivalent to strategic CSR.

Strategic CSR

While CSR is sometimes used synonymously with corporate citizenship etc., it is almost certainly not synonymous with philanthropy. However, many a company still confuses CSR with charity donations or corporate volunteering. According to Porter and Kramer (2006), this is bad business strategy. They judge it imperative that companies take an integrated approach, i.e. align CSR engagements with business operation. Porter and Kramer criticize that, more often than not, CSR is not conceived at the strategic level, but in marketing—as an add-on to build a more favorable brand image. By integrating it into day-to-day operations, CSR is transformed from a reactive approach, i.e. giving back to society to ease the conscience (read: philanthropy), into a proactive strategy that promotes long-term growth and creates competitive advantage.

Porter and Kramer's view has been echoed by many scholars. For example, Morsing, Schultz, and Nielsen (2008) emphasize that CSR must not be an afterthought, or an attempt to repair damages caused by unsustainable practice. Instead, it must shape the way that companies make profit in the first place. Interestingly, this view is not only prevalent amongst academics; it has also emerged in public surveys. When the Reputation Institute (2004) asked people in Denmark about what it means for a company to be socially responsible, nearly half of the respondents (45%) indicated respectable treatment of employees as their prime concern (as cited in Morsing et al., 2008). Roughly a quarter mentioned treatment of the environment (23%). By comparison, only four percent mentioned helping the local community, and a meager two percent referred to charitable causes. This suggests that the Danish public agrees that CSR is not about charity but about changing the fundamental processes of business. There are, however, conflicting ideas about the scope of CSR.

THE BUSINESS CASE FOR CSR

It is difficult to get a man to understand something, when his salary depends on his not understanding it. – Upton Sinclair

In 1970, Milton Friedman proclaimed that "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game" (para.33). The later Nobel laureate polemically accused businessmen who supported desirable social ends of "preaching pure and unadulterated socialism" (para.1). Today, however, the 'rules of the game' have changed, and many organizations around the world are integrating CSR principles into their core business

10

operations (Bartscht & Merkx, 2011; Cornelissen, 2004; Sen & Bhattacharya, 2001). While ethical values certainly play a part in this development, it is likely that the rise of corporate 'altruism' is but fully developed in combination with a number of rational economic motives (Curbach, 2009). When the Bertelsmann Foundation investigated why German companies engaged in CSR, the following picture emerged: 84 percent of firms stated that the key motivation for CSR activities was to boost employee morale; 66 percent indicated that they regarded it conducive to corporate culture; 65 percent saw it primarily as an investment in corporate reputation. Other motivations include pressure from shareholders, winning new customers, or risk reduction (Bertelsmann Stiftung, 2006). Most of the reasons given are at least indirectly tied to the expectation of performance benefits. This leads to the conclusion that companies believe that by attending to social needs they will eventually improve their bottom line. This proposition is known as the 'business case for CSR'—a pitch for investment that justifies CSR expenditure by promising a significant return (Kurucz, Colbert, & Wheeler, 2008).

The business case has also earned critical attention. Arising from the dichotomy of ethical and economic justifications for CSR, critics have raised doubts about the sincerity of corporate motives. Pointing out the irony that doing the right thing must be justified by reward, Chandler (2006) criticizes the business case as essentially amoral. Chandler believes that companies do not engage in CSR activities for moral considerations at all; they do so only because they want to improve their image, prevent government intervention/legislation, or avoid the costs of crises. This reflects Robert's (2001) concern that a desire to be *seen* as ethical is not the same as the desire to *be* ethical:

> [T]his new regime of ethical business is no ethics at all. What is being played with here is the corporate image; the power of negative press and publicity to damage the image and reputation of the firm. (pp.110-111)

Both Chandler and Robert's skepticism is based on the assumption that the corporate world still operates under the neoclassical paradigm—seeking to maximize profit with only a negligible concern for social or environmental implications. Chandler (2006) accuses companies of practicing CSR solely for commercial gain, looking to achieve the maximum positive effect for their PR at a minimum cost. For example, a company might implement CSR activities and advertise them as a differentiating feature. In some cases, the advertising budget may even exceed the cost of implementing the actual CSR activities many times over (Müller, 2009, Roberts, 2001). Paradoxically, as more and more firms are communicating

CSR procedures, reported incidents of irresponsible behaviors are increasing (Wagner, Lutz, & Weitz, 2009). At its worst, CSR is nothing more than a public relations device—"purely at the surface of the corporate body, leaving its operational interior free to pursue financially driven operational imperatives" (Roberts, 2001, p.123).

In this context, CSR has also been criticized as an attempt to circumvent legislation that forces companies to conduct our business ethically. This could entail much higher costs for companies than to pledge to sustainable business practices voluntarily and run pre-emptive CSR campaigns (Ivey, 2007). Lastly, enterprises might simply seek to avoid the costs arising from accidents and mishaps. Ecologically and socially damaging practices can lead to breakdowns, accidents or other mishaps which result in significant costs for the responsible party—costs that far exceed the savings which encouraged irresponsible practices in the first place (Müller, 2009). For this reason, CSR activities are useful from a financial point of view, especially in risky industries such as oil or tobacco. Understandably, this drives critics to lament the fact that in such cases CSR is only employed for financial reasons.

Criticism is especially severe with regard to companies whose core business (apart from the practiced CSR engagement) is *not* ecologically or socially sustainable. Companies that claim to be committed to CSR but simultaneously engage in harmful business practices are said to be engaged in 'greenwashing'. Ivey (2007) defines greenwashing as "the use of marketing or public relations practices to create a misleading impression of an organization's environmental performance" (p.248). This serves to "deflect criticism and build reputational capital while allowing an organization to conduct business in ways that might be viewed as unacceptable if people knew about them" (p.248). In effect, greenwashing can thus be regarded as deliberate consumer deception. With the exception of 'greenwashing', however, instrumental and ethical motives often converge, as social and economic objectives need not be mutually exclusive (Cornelissen, 2004). But—corporate motives aside—the question remains: can businesses really 'do well by doing good'?

As it turns out, the business case for CSR is difficult to quantify. In 2003, Margolis and Walsh reported that, over the course of 30 years, more than 120 studies had tested the causal link between corporate social performance (CSP)[2] and financial performance—with decidedly mixed results. Concluding their meta-analysis, Gardberg, Fombrun, & Barnett (2006) confirm that results indeed are contradicting, but constitute a slight trend towards a

---

[2] Wood (1991) defines CSP as "a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships" (p.693).

positive relation. Kurucz et al. (2008) point out the resulting paradox: in spite of reliable evidence of a positive link between CSP and financial outcomes, companies are increasingly embracing CSR. Therefore, another business case must exist: one that does not justify CSR investment purely on tangible economic terms. Kurucz et al. (2008) conclude that, to move "beyond the stalemate between economic or ethical models of CSR", a more 'nuanced' business case must be constructed (p.86). They propose that the business case can be approached from four different perspectives, each focusing on a specific mode of value creation: 'cost and risk reduction', 'profit maximization and competitive advantage', 'reputation and legitimacy', and 'synergistic value creation'.

The cost and risk reduction approach principally views stakeholder demands as potential threats that need to be reduced through a threshold level of CSR compliance. The profit maximization approach, on the other hand, perceives stakeholder demands not as a constraint, but more as an opportunity to build relative competitive advantage. This characterizes, for example, Porter and Kramer's (2006) perspective, who build a business case around strategic positioning (see p.9). The reputation and legitimacy perspective holds that failure to meet stakeholder needs might result in negative consequences, such as having an operating license revoked, or that it poses reputational risk. The synergistic value creation approach suggests that companies can create entirely new business models by integrating stakeholder needs (Kurucz et al., 2008).

The call for a 'broader view' of the business case is echoed by Carroll and Shabana (2010), who urge practitioners to give up the expectation of linear relationships and direct financial payoffs for the promise of indirect performance benefits such as building competitive advantage. Utting (2005) shares this point of view. He concludes that although the business case is not proven empirically, the idea of a positive correlation between CSR and financial success prevails in modern management discourse based on a set of qualitative arguments. I will introduce the most important of these arguments below.

Corporate Reputation

The key argument for the link between CSR and economic success is the idea that it allows companies to build up a positive image, which in turn increases their leverage over the social and institutional environment. The core driver for CSR thus is the desire to improve the corporate reputation. Reputation involves how key stakeholders view an organization. Griffin (2008) defines it as the collective judgments and representations of key constituencies. Gardberg and Fombrun (2002) conceptualize it as a "collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple

stakeholders" (p.304). Public relations firm Weber Shandwick (2006) claims that reputation makes up about 60 percent of most corporations' value. While such statement is hard to verify, given the difficulty of quantifying the concept, it is fair to say that most executives consider their firm's reputation as an important asset. According to a recent McKinsey Global Survey (2012), 72 percent of participating companies said reputation was a chief priority for their CEOs.

A first area that significantly profits from a positive corporate image is human resources. Corporate reputation factors into employee motivation, retention and recruitment: people generally prefer to work for a well-regarded company as opposed to one with a reputation for abusing employees, or the environment. Well-regarded firms thus have more recruiting success and greater positive visibility (Gaines-Ross, 2008). But a positive reputation can also decrease the risk of becoming the target of activist pressure, which could ruin a carefully crafted corporate or brand image (Curbach, 2009). As the saying goes, it takes a lifetime to build a reputation, but only a split second to destroy it. A company's reputation develops based on how well it handles crises, issues, and social responsibilities (Griffin, 2008). And according to the Reputation Institute, 42 percent of reputation is shaped by perceptions of citizenship, governance, and workplace—dimensions that fall into the category of corporate social responsibility.

In today's fast-paced, interconnected environment, reputation risk ranks among the top risk factors faced by corporations (Gaines-Ross, 2008). As Internet search engines build a global database linking information about organizations—good or bad—extant negative information is always available alongside official company messages. This development, along with the proliferation of new media channels, which facilitate disproportionate impact of small groups, and the need to maintain public trust, contributes to a heightened importance of reputation management. Failing to practice CSR can be a source of reputational risk, whereas doing so can reduce risk and build reputation.

The wish to avoid public scandals and NGO activism goes hand in hand with the desire to evade government action. Several authors propose that the adoption of voluntary standards could prevent the introduction of (potentially more cost intensive) legally binding standards (Weybrecht, 2010). Haufler (2001) notes that, "the intertwining of regulatory and activist risk has helped push the private sector to consider seriously the benefits of adopting voluntary standards" (Haufler, 2001, p.42). Hence, companies also use CSR to influence the regulatory environment in their favor. In this context, CSR clearly becomes a tool for risk management.

But a positive corporate reputation cannot only reduce risk; there is evidence that it can also improve financial performance: a Pennsylvania State University survey found that companies with positive reputations report six percent higher returns on investment than the S&P 500 index (Vergin & Qoronfleh, 1998). Could this be related to a positive effect of CSR on consumer perceptions? The next section presents a number of interesting findings with regard to the impact of CSR on consumer purchasing behavior and attitudes.

Consumer Purchasing Behavior and Attitudes

Auger, Devinney, Louviere, & Burke (2008) suggest that information on the production process of a product can have an impact on consumer purchase decision. Auger et al. come to the conclusion that several socially irresponsible practices, such as the use of child labor, low wages, or a dangerous work environment, significantly discourage consumers from buying a product. In addition, they find a negative influence of unfavorable ecological characteristics, such as the poor biodegradability of consumer goods. Such findings encourage product positioning based on CSR attributes, which, according to Osterhus (1997), is especially recommended for homogeneous products in markets with low differentiation.

But IT products are generally more complex. So what happens when consumers are required to make a trade-off between functional properties and CSR properties? In some cases, CSR properties might restrict product functionality or increase personal costs to the consumer. Barons, Miyazaki, & Taylor (2000) confirm that in the case of functionally equivalent products, consumers tend to choose the product with additional CSR attributes. But once a trade-off between CSR attributes and performance or price is introduced, the majority of consumers opt for the cheaper or better performing product. However, this finding is not universally supported. Sen and Bhattacharya (2001), for example, cannot confirm that consumers favor functional attributes.

Some studies suggest that consumer buying behavior is influenced by the observable behavior of a company. Already in 1996, Creyer and Ross showed that unethical corporate behavior reduces consumer spending (exemplary behavior, on the other hand, did not automatically lead to increased spending). However, such relationships are often complex and can be influenced by a number of other variables. For instance, Russell & Russell (2009) investigated the influence of location. They found that, if a CSR activity is carried out in relative geographical proximity to consumers (i.e. locally), the positive influence on purchase intention and attitude towards the organization was much greater than when the company's CSR activities happened further away (i.e. globally).

Multiple studies also show that it is important *how* CSR is practiced. Consider, for instance, an example from the realm of corporate philanthropy: Ellen, Mohr, & Webb (2000) researched the effect of charitable donations on consumer attitude. They found that results show that this has a particularly positive in the context of one-time disaster relief efforts. Continuous donations to charitable causes, on the other hand, had only a minor impact. More importantly even, not all CSR is good CSR. In fact, it can even backfire. For example, Yoon, Gürhan-Canli, & Black (2006) show that when consumers feel that a company is acting out of selfish motives this negatively influences the attitude towards the organization. This is echoed by Becker-Olsen, Cudmore, & Hill (2006), who suggest that profit-oriented motives for CSR increase the number of negative thoughts about a company.

As pointed out previously, however, the empirical findings presented in this section are to be taken with a grain of salt. Many could not be replicated across different studies. For example, research by Boulstridge and Carrigan (2000) shows that consumers do not really care that much at all about corporate behavior. None of the participants in Boulstridge and Carrigan's study stated that they evaluated corporate activities as part of their purchasing decision. Öberseder, Schlegelmilch, and Gruber (2011) remark that this leads to an unresolved paradox: as consumers demand ever more CSR information from corporations, there seems to be no motivation to act upon that information. This is often referred to as the attitude-behavior gap. Could it be that companies are simply not communicating their CSR in an effective manner?

COMMUNICATING CSR

According to Du, Bhattacharya, and Sen (2010), a major obstacle to achieving maximum returns from CSR investment, is the low level of CSR awareness among many stakeholder groups. It should come as no surprise that CSR commitment can only become a tangible differentiator in the marketplace if companies are capable of signaling this commitment to external stakeholders. If an enterprise wishes to harvest the fruits of its investment, it does not suffice to merely *engage* in CSR efforts. Following the old German adage, "Tue Gutes und sprich darüber" (Do good and talk about it), this engagement must also be actively communicated; action and communication must go hand in hand.

A key tool companies use to express their CSR commitment is the Internet. In fact, it has been since the late 1990s. Already in 1997, Thomas Dunfee observed: "More and more companies are putting their codes of conduct on the World Wide Web. The Web is a new tool by which firms attempt to create reputations as responsible, caring firms" (p. 1592). When

Capriotti and Moreno (2007) investigated the presence of CSR issues on corporate websites, they found that 70 percent of websites studied[3] featured a space for issues of social action, environmental action, and workplace issues. While their findings suggest that the majority of companies regard CSR as an important topic, Capriotti and Moreno also note that companies generally are not taking a dialogic approach to CSR. This means that most websites do not encourage feedback; none provided interactive tools allowing visitors to interact with the company or other people about CSR issues. These findings are confirmed by Chaudhri & Wang (2007), who argue that, when communicating their CSR, Indian IT companies do not leverage the full potential of the Internet. Could it be that companies are still reluctant to *really* engage with stakeholders? This would not be surprising, given that CSR communication can be a tricky business that requires ample preparation. Only when CSR communication is well-designed, can it positively influence corporate reputation (McWilliams, Siegel, & Wright, 2006).

Communication Strategies

McWilliams et al. (2006), distinguish two kinds of CSR communication: persuasive and informative communication. Persuasive CSR communication seeks to sway customers to buy products, under the guise of CSR attributes (cause promotions et cetera). Alternatively, informative CSR communication provides plain information about CSR practices. Persuasive CSR communication is not without pitfalls. If advertised too bluntly, CSR might provoke suspicion among consumers.

Morsing et al. (2008) indicate that subtle ways of communication are most effective in building consumer trust. They propose two possible routes to communicate CSR: the expert communication process and the endorsed communication process. The expert communication process is rather elitist, directing CSR communication exclusively at knowledgeable opinion leaders. Reminiscent of scientific discourse it is heavily reliant on facts and figures. The endorsed communication process depends on respected third parties to publicly endorse CSR activities. Notice how both communication routes are indirect. Morsing's (2008) model is built on the assumption that consumers do not read CSR communication. Hence, the best way to reach them is through third party stakeholders.

This is confirmed by Du et al. (2010) who observe that opinion-leader audiences are more likely to proactively seek out CSR information than the general public, who is much more likely to learn about CSR activities through editorial coverage on TV and in the press.

---

[3] Capriotti and Moreno (2007) examined only websites of companies listed in the Spanish stock index IBEX-35.

Communicating CSR through independent channels has the distinct advantage that companies might appear more trustworthy and avoid being perceived as self-serving. Du et al. (2010) point out the trade-off between controllability and credibility of CSR communication: the less controllable the communicator is, the more credible the message will be perceived, and vice versa. Consequently, CSR communication disseminated through corporate channels will elicit a more skepticism from consumers than messages obtained from a neutral source.

This is confirmed by Yoon et al. (2006), who show that consumers are generally skeptical towards CSR activities, suspecting that they are only carried out in order to improve the corporate image. Only if CSR activities are perceived as intrinsically motivated, they are perceived as honest. This is the case when the direct corporate benefits of CSR activity are not salient to the consumer, or the CSR information is communicated by a seemingly neutral source (e.g. an independent newspaper article).

Morsing et al. (2008) strongly suggest that companies advertise their CSR initiatives in an unremarkable fashion. In terms of communication channels, the Danish public seems to prefer minimal releases about companies' CSR engagement from corporate websites or annual reports rather than full-blown advertising or PR campaigns. The importance of not going overboard with CSR communication is underscored by Vallentin (as cited in Morsing et al., 2008): Vallentin finds that, in Denmark, it is often those companies that are most vocal about their CSR activities that are criticized the most. Morsing et al. (2008) propose that this could be due to the fact that skeptics might be particularly prone to investigating the validity of corporate claims.

Wagner et al. (2009) have undertaken research into consumer perceptions of the inconsistencies that arise from reports of corporate behavior that contradict advertised standards of conduct. In three experiments, Wagner et al. tested the influence of different communication strategies on consumers. In particular, they investigated the effect of a proactive versus reactive communication strategy, and an abstract versus a concrete communication strategy. The results show that in the event of an inconsistency between CSR statements and observed corporate behavior, reputational damage is greater when the negative behavior follows the statements (i.e. in the case of a proactive communication strategy) than when the statement follows the behavior (i.e. in case of a reactive communication strategy). In effect, the safest way for companies is to adopt an abstract communication strategy: Wagner et al. state that in the absence of concrete CSR promises, consumers tend to assess an inconsistency as less severe than if they can resort to specific CSR statements from the past.

CSR IN THE IT INDUSTRY

Kramer, Jenkins, and Katz (2007) constitute that information and communication technology (ICT) plays a fundamental role in modern economic growth and development. Among other things, it can improve productivity, provide instant connectivity and access to information, and generally reduce the costs of doing business (e.g. substitute for physical travel). But Kramer et al. also note that, to 'fulfill their potential', ICT's require, for example, clean power. Otherwise, they might themselves become a source of problems. Fuchs (2008) raises similar concerns when he states that virtual products do not, as is commonly believed, lead to energy or resource savings. In fact, computer equipment has a short lifespan but is hard to recycle, and uses up considerable amounts of energy.

Another point of concern for critical observers such as Fuchs and Kramer et al. is the fact that the IT industry is relatively unregulated, leaving room for potential abuse of consumer data. According to Kramer et al. (2007), this state of relative deregulation results from the fact that technology is changing so rapidly that it often outpaces the "public sector capacity to understand and respond, through incentives, regulations, and new institutional structures, in ways that maximize likely benefits" (p.21). This raises questions of responsibility and authority.

A Changing Business Environment

As pointed out by Kurucz et al. (2008), a compelling business case will almost certainly reflect important changes in the global business environment, of which there are a few: as governments are becoming increasingly aware of the power that several IT companies have built up over user data, they are beginning to take legislative action. For example, the EU is currently in the process of reforming its data protection laws. In addition, the debate around the recently exposed NSA 'Prism' surveillance program[4] draws further attention to the inherent risks of information technology. Consequently, it is likely that IT companies will be confronted with a growing number of regulations, both on the local and the global level. Waiting until the last minute to conform to mandatory legislation might result in higher costs than implementing appropriate codes of conduct on your own accord. Furthermore, data leaks

---

[4] According to media reports (e.g. Greenwald & MacAskill, 2013), a leaked government document revealed that the US intelligence service has direct access to the servers of Google, Facebook, Apple and other US Internet firms, allowing officials to tap into user data including search history, email content, or live chats. (Unfortunately, the document surfaced after the completion of the empirical part of this study. Hence, the issue was not discussed during focus groups.)

and user surveillance pose considerable reputational risk. Lastly, technology firms do not only face concerns with regard to consumer rights.

Much like the footwear, apparel, and toy industries, the IT industry is increasingly being criticized for unethical practices at supplying manufacturers[5]. As a result, many multinational IT firms are now tackling social and environmental challenges throughout the entire supply chain (Facility for Investment Climate Advisory Services [FIAS] & Business for Social Responsibility [BSR], 2007). But this is not an easy task. According to research by FIAS & BSR (2007), many Asian suppliers are not yet convinced of the business case for CSR. This is due to a number of reasons: first, the costs of implementing CSR standards are immediate, whereas the benefits are long term and often lie far beyond the time horizon of average contract lengths. Second, Chinese suppliers do not feel that CSR investment leads to an increased chance of order retention. Since pressure from international customers is regarded as the main driver for CSR in emerging economies, it is essentially up to them to set clearer incentives for CSR.

Kramer et al. (2007) also note that many bigger IT firms are investing heavily in human capital, aiming to develop future employees (but also customers) through technical literacy programs. Kramer et al. explain that the IT sector has "always suffered chronic shortages of technical and engineering skills in the labor force" (p.19).

IMPLICATIONS

The above review has shown that the need for corporate social responsibility has gained new momentum. In the wake of the financial meltdown, consumers appear to be ever more skeptical of corporate activity. However, empirical evidence regarding the actual effects of corporate behavior on consumer behavior is diverging. While some observers assert that consumers *want* to be informed about CSP (e.g. Podnar, 2005) others suggest that they are really rather uninterested in it (e.g. Boulstridge & Carrigan, 2000). Despite contradictory evidence, scholars and practitioners alike believe that it is increasingly important for businesses to be perceived as socially responsible. For the most part, this reasoning is based on a set of rational arguments, which revolve around the presumed benefits of a positive corporate reputation.

Ironically, the very reasons that entice businesses to jump on the CSR bandwagon often are also potential sources for concern. For example, while the idea of positively impacting the regulatory environment might seem like a worthwhile end from a company

---

[5] A recent example is Apple's engagement with the Chinese manufacturer Foxconn (cf. Chapter 5).

perspective, instrumental motives of this kind might arouse an even more skeptical response from the critical consumer. I have shown that research into CSR communication repeatedly warns corporations about the risks of appearing self-serving in promoting their commitment to social causes. The observation that, despite the connective power of the Internet, companies usually shy away from constructive dialogue with consumers underscores the perception that the relationship between the two is rather tense. It also shows that CSR is still mainly a one-way street.

The latter observation extends to academic research. While CSR has been studied a great deal from a management perspective, there seems to be a lack of work on the consumer's point of view (Maginan & Ferrel, 2004). I find this rather paradoxical: consumers create demand for products and services; they form the basis for most profit maximization arguments for CSR, and a potential source of activist pressure. To a great extent, consumer decisions determine what shape CSR takes in the future. Yet few people have explored how consumers perceive CSR. Many observers assert that consumers are becoming more critical. But what are they critical of? What facets of corporate social responsibility are most important to them—provided it is important at all? This thesis aims to shed more light on the consumer perspective of CSR.

In particular, this research looks at CSR in the information technology sector. The reason for this is simple: despite its promises for global development, information technology is increasingly becoming a source of concern. In the long-run, the industry must fear increasing government intervention. But as regulatory bodies are growing skeptical, consumer trust does not at all seem to be an issue. In contrast to most other industries, the IT industry enjoys a sustained level of high consumer confidence. I wonder what it is that, in the eyes of consumers, separates it from the rest.

Research questions

The lack of consensus regarding consumer attitudes and behavior towards corporate reputation and CSR demands further investigation. Furthermore, there currently are no studies examining consumer effects specific to the IT industry, nor studies investigating this phenomenon in a European context. This leads me to the following research questions, pertaining to the information technology sector:

RQ1: How do European consumers view CSR?

- What does it mean to them?
    - What aspects are important?
- What is their perception of corporate motives?
- Do they trust CSR communication?

RQ2: How do European consumers view the behavior of IT companies?

- Are they aware of corporate activities?
- How do they learn about corporate behavior?
- Do they care about responsible corporate behavior?
    - Is there a link between corporate behavior and consumer purchase decision?

RQ3: What, if any, is the difference in European consumer perception of CSR in the IT sector compared to other industries?

Before investigating these questions, however, it is useful to gain a basic understanding of how major companies in the industry present their respective efforts. Consequently, the study undertakes a brief review of CSR policies/initiatives in the IT sector, outlining how leading IT companies frame their CSR.

CHAPTER 3

METHODOLOGY

The following chapter provides a detailed overview of the empirical research process. It touches upon the research perspective and discusses both data collection and analysis. It also presents findings from the preliminary study and the pilot test.

RESEARCH PARADIGM

This study takes an interpretive approach, supporting the notion that there are many truths and realities. Employing qualitative research methods, the study is focused on uncovering insights on consumer perceptions. In contrast to quantitative approaches, qualitative research is often better suited to address research questions that aim for an in-depth understanding of specific phenomena. Typically, it relies on small samples to produce richer data than otherwise possible (Collis & Hussey, 2003). A qualitative approach is especially useful here, as it takes into account the complex nature of CSR and (CSR) communication, and the importance of (social) context. Collins and Hussey (2003) note that qualitative research "involves examining and reflecting on perceptions in order to gain an understanding of social and human activities" (p. 13). This lies at the heart of the present study: to understand what consumers really make of CSR communication. It is less concerned with making judgments about whether those perceptions are valid.

Taking an interpretive approach is not common in business studies; Yoshitake (2004) notes that business research is dominated by a positivistic paradigm. In the field of communication, however, this is not practical. Communication is mediated by culture; it is too complex to be analyzed out of context. Yoshitake (2004) points out that positivist research would examine communication as if it were a monologue. This results in a 'mechanistic' view of communication and fails to capture its complexity. Furthermore, the positivistic argument for objectivity is difficult to maintain in communication research. Not only does the researcher's cultural background influence his perceptions and assumptions, even if only unconsciously. But culture influences human behavior, values and attitudes, and thus plays an important role in the perceptions of things and the communication process itself. Consequently, this research reflects the view that interpretation of meaning can never be entirely objective.

METHOD: FOCUS GROUPS

This thesis presents an empirical study that aims to find out how consumers view the social responsibility of information technology companies. The heart of this study is a series of three semi-structured focus group interviews with a total of 18 participants. Conducted in May 2013, with six participants each, the focus groups were set up to investigate consumer beliefs and attitudes with regard to corporate behavior and CSR. The rationale behind using focus groups shall be briefly explained here.

Calder (1977) remarks that—in the context of consumer research—the focus group interview has become the method of choice. While focus groups do not in themselves produce generalizable findings, Calder notes that they can be very useful to compare scientific explanations against 'everyday' consumer interpretation. This is partly what this study attempts. The literature review has shown that, while CSR has been studied heavily, findings remain inconclusive. Consequently, even quantitative studies in the field seem to struggle with generalizability. It is not the objective of the study to add to the CSR discourse yet another set of controversial findings on consumer effects. This research does not want to predict consumer behavior. Rather, it attempts to uncover underlying attitudes; to find out which motives spur specific consumer responses. According to Morgan (1990) focus groups constitute an excellent method to assess attitudes—to uncover the 'why behind the what' in participant perceptions. Threlfall (1999) highlights that,

> by forming a group of individuals together and inducing a topic of discussion toward the collective attitudes and beliefs of the participants, the dynamic transmission of ideas will yield untapped responses and meaningful information. (p.102)

Sampling

I opted for six participants per focus group because CSR is a rather complex phenomenon. This was done in accordance with Bryman (2008) who states that a feasible group size for a focus interview typically lies between five to twelve participants, but smaller numbers allow for a more in-depths focus group interview and are most suitable for complex topics. Bryman recommends larger numbers only when involvement with the topic is anticipated to be low. Due to a very engaging pilot interview, however, I did not expect low involvement to be a problem. In correspondence with Calder (1977), the number of focus group sessions was set at three. Calder presents the following rule of thumb:

> It is usually said that focus groups should be continued until the moderator can anticipate what is going to be said in the groups. This typically happens with the third or fourth group. (p.361)

Participants were drawn from a convenience sample: I recruited students at Erasmus University Rotterdam. All participants were aged between 20 to 30 years. The majority of participants were graduate students (n=14); the remaining four were in their final year of undergraduate study. In order to avoid a gender specific outcome, males and females were equally represented. While this sample is by no means representative of the entire population of consumers, this particular demographic has the advantage that it is a popular target group for the latest information technology products. Thus, participants were capable of engaging in an in-depth discussion of the topic, and I assume that the insights that emerged are in some ways superior to findings that might have been yielded by a less involved demographic. Some commentators have observed that, in order to move the business sector forward on sustainability, it is crucial that the next generation of graduates understand what the concept is about (Weybrecht, 2012). This underscores the relevance of examining the views that current university students hold on CSR.

One point of difference among the focus group sessions is that they were arranged in cultural clusters. The first focus group featured students of Western European nationalities (Germany, the Netherlands, and the UK), the second focus group students of Eastern European nationalities (Bulgaria, Lithuania, Romania, and Russia), and the third focus group consisted of Southern European/Mediterranean students (Greece, Italy, and Spain). The reason behind this was to see whether culturally specific outcomes would emerge; nationality-based sampling implied the potential to compare findings across European regions. The idea was sparked from the outcomes of the pilot interview, which suggested that cultural differences are likely to influence personal perceptions of CSR activities.

Procedure

Flowing from the semi-structured character of the focus group interviews, the scope and nature of the issues discussed were predetermined. In contrast to a standardized interview, however, the discussion guide allowed a more flexible interview process (cf. Appendix, Figure A1). The wording of individual questions was changed and adapted to the situation. Issues were not discussed in a rigid linear sequence. Instead, every question could serve as a possible entry point to discussion; the sequence rather resulted from the conversation history. The focus group sessions lasted from 70 to 90 minutes each.

The insights derived from the preliminary research were used to construct three scenarios that encouraged discussion and elicited participants to share their response to particular corporate behavior. Whilst the scenarios did not refer to specific companies by name, they were inspired by the socially (ir)responsible activities or questionable activities committed by the three companies discussed above. Two scenarios dealt with crisis situations in which the respective companies had not adhered to their self-prescribed code of ethics: Scenario A (inspired by Apple's Foxconn scandal) sketches a situation in which 20 factory workers die due to unsafe working conditions in a cell phone production plant. Scenario B (inspired by Google's aggregation of user data) stated that an email provider collected and sold the consumers' personal information to third parties. Scenario C (inspired by Google's commitment to renewable energy) featured an email provider whose data centers ran entirely on renewable energy and therefore produced 50 percent less carbon emissions than its competitors.

Data Analysis

The focus group interviews were captured as digital audio files by the consent of the interviewees, and transcribed within 48 hours after the conversation to enable optimal recall. Furthermore, some information was captured in the participants' own writing, as a number of questions encouraged respondents to note down a few words on an interview documentation form. The analysis and interpretation followed the strategy of grounded theory as proposed by Glaser and Strauss (1967), a method that is mainly used for semi-structured interviews. It involves open, axial and selective coding; codes are assigned to empirical data, and become more abstract, more summarized and placed in relation to each other in the course of the research. The content analysis thus consists mainly of category formation and a reduction of the material by summarizing and paraphrasing. After each interview, a memory protocol was made to record observations made during the session. The transcripts were made using the audio recordings. Then evaluation categories were formed based around the research questions, followed by the actual coding of the material. Lastly, the findings were interpreted in depth based on the categories and codes developed. The results of this interpretation, including many quotes to maintain the validity of respondents' answers, are presented in the next chapter[6]. The focus group transcripts can be found in the appendix (pp.70-131).

---

[6] A few participants made heavy use of profane language. On some occasions this was stated verbatim in the spirit of giving voice to participant expressions.

PRELIMINARY RESEARCH

Before conducting the focus groups, I wanted to establish a basic understanding of how major IT companies frame their corporate social responsibility. For that reason, I identified three well-known IT firms and explored how they present their CSR commitment online. The objective of this work was to investigate the empirical setting and to produce an inventory of data to help me set up the interview guide used in the main body of this research.

The firms selected for this study include Microsoft, Google, and Apple. These companies are not only information technology heavyweights; they also rank in the Top 5 of the Reputation Institute's (2012) *CSR RepTrak 100.* (Microsoft even leads the list. According to the Reputation Institute it is thus perceived as the most socially responsible company in the world). The background research was conducted as follows: I examined the website of each company for CSR information, defined as corporate discourse that reflects (a) responsibility to consumers, employees, and other stakeholders; (b) responsibility to the environment; and (c) responsibility to community development (Chaudhri & Wang, 2007). This process was aided by Wang & Goodman's (2006) classification of CSR aspects (see Appendix, Figure A2). The CSR information was then subjected to textual analysis. Textual analysis is a useful method to investigate CSR communication because it inspects messages in context. This encourages the researcher to investigate how authors support claims in the text, and allows the interpretation to include contextual evidence. In the following, I will briefly present the findings of my preliminary research.

Microsoft

Microsoft frames CSR primarily as Corporate Citizenship (CC), emphasizing the positive role it plays in the local communities in which the company operates. Also, it highlights workforce diversity. Information on CSR can be found under the 'About' tab at the bottom of the global website (www.microsoft.com/about). Here, Microsoft links to two subpages, namely 'Corporate Citizenship' and 'Global Diversity and Inclusion'. Furthermore, it prominently displays a badge informing visitors that it has been recognized as the 'World's Best Multinational Workplace' by the Great Places to Work Institute in 2011 (Microsoft, 2013a).

On the CC page, Microsoft declares that its core mission is "to help people and businesses around the world realize their full potential" (Microsoft, 2013b, para.1). Salient issues are grouped into two categories: 'serving communities' and 'working responsibly'. Under 'serving communities', Microsoft highlights the following issues: 'empowering youth' (e.g. by providing access to affordable software and education), 'empowering nonprofits' (e.g.

through software donations or knowledge sharing), and disaster relief. Under 'working responsibly', Microsoft addresses human rights, 'responsible sourcing', but also consumer privacy and safety. Interestingly, environmental issues are not prominent on the website. Information on 'environmental sustainability' can only be found after searching through several layers of subpages (Corporate Citizenship / Working Responsibly / Principled Business Practices / Environmental Sustainability). On the page 'Global Diversity and Inclusion', Microsoft presents its efforts to maintain a multicultural workforce and avoid discrimination based on gender, ethnicity, religion, sexual orientation, or disabilities.

More or less by chance, I stumbled on another subdomain, 'Microsoft in the Public Sector'. Similar to the approach that Google takes[7], Microsoft here praises the public benefits of its products (e.g. health solutions, education solutions, or public safety solutions).

Google

Google gives much attention to the environment and education. Also, the company highlights how its technologies are used to improve the lives of people around the world. This is referred to as 'technologies for social impact', and includes, for example, Google Flu/Dengue Trends, or applications for humanitarian response, such as the 'Person Finder', or 'Crisis Maps'.

Ironically, Google's engagement is hard to find via a Google search. A search attempt for the keywords 'Google' and 'Corporate Social Responsibility' yielded only a link to Google China (google.cn). Manually entering the URL of Google's global site, Google.com, I tried to find out more about how the company views corporate social responsibility. Google's landing page appeared in the familiar minimal design, drawing all user attention to the search mask. The page footer, however, featured a menu that linked to company information. I clicked 'About Google' to proceed. At the center of the 'About' page I was greeted by Google's mission statement, which is to "organize the world's information and make it universally accessible and useful" (Google, 2013a). Below the mission statement, Google presented its philosophy, entitled 'Ten things we know to be true'.

Among Google's credos, two statements appeared related to CSR: statement four, "Democracy on the web works", and statement six, "You can make money without doing evil". The comments to statement four advertised Google's commitment to open source software development, as well as their willingness to listen to the crowd when it comes to product development. Comments to statement six clarifies that Google is not merely a service

---

[7] Google advertises how it creates 'technology for social impact', see next section.

but a business that generates revenue from advertising. However, it portrays Google as a responsible corporation that would never compromise user trust:

> Advertising on Google is always clearly identified as a "Sponsored Link," so it does not compromise the integrity of our search results. We never manipulate rankings to put our partners higher in our search results and no one can buy better PageRank. Our users trust our objectivity and no short-term gain could ever justify breaching that trust" (Google, 2013b, para.6).

After reading Google's credos, which carry hints of corporate social responsibility, I searched for information referring to CSR explicitly. At the bottom of the page I found thee links grouped under the heading 'Technology for social impact'.

Under this heading, Google links to three subdomains that are devoted exclusively to Google's CSR activities: Google Green (google.com/green), Google.org, and Google Crisis Response (google.org/crisisresponse). Google Green is dedicated to advertising Google's commitment to constantly minimize their environmental impact; the site features subpages on (energy) efficiency and renewable energy technology. On the landing page, Google claims to have eliminated its impact on climate change since 2007 and that its data centers use 50% less energy than those of the competition. They also report to have invested one billion dollars in renewable energy projects (Google, 2013c). Google.org "develops technologies to help address global challenges and supports innovative partners through grants, investments and in-kind resources". An ongoing Google.org project is 'Google Crisis Response', which develops tools to support disaster relief. While Google extensively advertises its commitment to environmental and humanitarian goals on dedicated pages, it marginalizes its responsibility to consumers.

When consulting outside sources, the image of Google as the well-meaning corporation is challenged. The anti-corporate website googledontbeevil.com is but one example of how Google's famous motto, "Don't be evil" has spawned numerous parodies hinting at the fact that the organization is in fact engaging in dubious business practices that do not match its stated code of conduct. When Google announced in March 2012 that it would adjust the privacy policy of its suite of free cloud services (including Gmail, Googledocs, etc.) to exploit cross-platform advertising opportunities, media coverage was dominated by public outrage (Wyatt and Wingfield, 2012). In consequence, Google is the winner of 2013 Big Brother Award, a negative prize for data abuse awarded by the German association 'digitalcourage'. The prize is awarded to businesses, government agencies and individuals for

particularly blatant disregard of data protection and privacy. According to digitalcourage, Google ignores European law and take advantage of its dominant position (quoted in Beuth, 2013).

Apple

Apple frames CSR primarily as environmental responsibility. When searching for CSR-related information on its global website (www.Apple.com), a link on the landing page points directly to information on 'Apple and the Environment', albeit in very small print. On this page, Apple prominently features data on its environmental footprint and the use renewable energy. Among other things, the company advertises that its data centers are fully powered by renewable energy, and provides a very detailed overview of carbon emissions and material use throughout its supply chain. Users can also download PDF brochures detailing the environmental impact of any Apple product individually. At great length, Apple showcases how it increased energy efficiency, reduced waste, and boosted its recycling efforts throughout recent years.

But considering the rather high profile mishaps surrounding unethical practices at Apple suppliers, including the use of underage labor, unsafe working conditions, and the falsification of audit materials (Klein, 2011), it is notable that information pertaining to the social dimension of CSR cannot easily be found. Only via the site map, I discovered a link to a page on 'Supplier Responsibility'. In the first paragraph, Apple declares:

> Workers everywhere should have the right to safe and ethical working conditions. They should also have access to educational opportunities to improve their lives. Through a continual cycle of inspections, improvement plans, and verification, we work with our suppliers to make sure they comply with our Code of Conduct and live up to these ideals. (Apple, 2013, para.1)

Yet, evidence suggests that there is still a considerable gap between this vision and its execution. Following an independent investigation at the Chinese manufacturer Foxconn—one of Apple's key suppliers—the Fair Labour Association (FLA) notes serious non-compliances with its code of conduct and Chinese labor law, including "excessive overtime and problems with overtime compensation; several health and safety risks; and crucial communication gaps that have led to a widespread sense of unsafe working conditions among workers" (FLA, 2012, para.1).

Furthermore, Apple (alongside Google) was awarded a 2013 Big Brother Award. It received the negative prize in the category 'workplace'—for comprehensive video surveillance of employees (Beuth, 2013). Ironically, both Google and Apple rank in the Top 5 of the Reputation Institute's (2012) *CSR RepTrak 100*. Just as there is conflicting empirical evidence with regard to the effects of CSR, there seem to be divergent appraisals of actual observed CSP.

Summary

Microsoft, Google, and Apple all mention CSR issues on their corporate websites. In fact, they provide a wealth of resources. However, these are not always easily found—in my opinion, it still requires significant motivation to dig them out. In some cases, information was protracted in bulky PDF documents (especially at Microsoft). Perhaps the most interesting finding was which aspects of CSR the three companies emphasized. For example, only Microsoft mentions consumer privacy and safety. Apple and Google focus largely on environmental issues, but barely touch upon their responsibilities to consumers. To be clear: Google briefly mentions consumer trust (Google, 2013b, para.6). However, it does not provide transparency or tangible information on how it plans to maintain it. Instead, it essentially presents itself as a benevolent giant that would not compromise user trust—consumers should just take the company's word for it. Google does, however, discuss social aspects of CSR such as education, developmental support, helping the poor and humanitarian aid. Apple, on the other hand, neglects social issues more or less entirely, formulating only a responsibility towards the environment. Its page on supplier responsibility is extremely difficult to find and rather comes across as a half-hearted effort to deflect criticism resulting from the recent allegations over the situation at Foxconn.

PILOT STUDY

Before the start of the core phase of the research process (the focus groups), a trial interview was conducted with two students, to gauge the feasibility of the study and pre-test the interview guide. Based on this interview, the discussion guide was reviewed and partly adjusted. This was done following the advice of Van Teijlingen and Hundley (2001) who argue that conducting trial sessions before the full-scale study are a vital step towards successful study design. Even though qualitative data collection and analysis is often progressive and therefore does not require the amount of pre-testing as more static (quantitative) research designs, piloting qualitative approaches can be particularly useful if

"the researcher lacks confidence or is a novice, particularly when using the interview technique" (Holloway, 1997, p.121). Following Van Teijlingen and Hundley's (2001) call for more detailed reporting of pilot study outcomes and the consequences for the study design, I outline key findings and insights derived from the trial run below.

Insights for Study Design

As I was in fact a novice to semi-structured group interviewing, the pilot really did help me build confidence in using this interview technique and subsequently administer a full focus group. Furthermore, it established confidence in my sampling frame. The two respondents were avid users of the latest information technology. They also had a lot to say about their perceptions of CSR, which increased my confidence in the discussion guide. There were, however, a number of findings that motivated changes to the study design.

The Impact of Cultural Differences. The pilot study also revealed that opinions on CSR might differ considerably among different cultures. One student, who stated that she had little concern for the working conditions in the overseas factories of IT companies, shared:

> Ok, well, I can explain why actually. I used to live in Syria (…) it's normal that kids work there, because otherwise they would just die. Because there's no food, the mother has like 15 kids. There are no jobs; it's normal that they are working. If they would not go to work in a factory, they would die anyways. So that's why for me it's not so bad to see kids work in a factory. I mean it's not like they would go to school otherwise. They don't have that option. So it's reasonable for them to work in factories. That's why I am relatively neutral on child labor. I guess I look at it differently than the average Dutch person.

This statement reinforced my idea to conduct the focus groups with participants from different European countries, clustering them so that each focus group corresponded to a broader European region (West, East, South). After all, the wage levels in Eastern Europe, for example, are much lower than in Germany or the Netherlands; southern countries such as Spain or Greece are battling with high unemployment rates. I wanted to find out whether such issues led people to assess CSR differently. While the small sample size of this study could yield only exploratory insights on this matter, it seemed a worthwhile endeavor to test if culturally motivated differences would emerge.

The Special Nature of IT. Another aspect that came forward in the pilot interview was that the nature of IT products was described as inherently different from other product categories, and that this had an impact on how people perceived CSR in this specific sector. One interviewee said, "Maybe it's really that IT is somewhat disconnected from the real world. Like… what harm can you do with data? They're not cutting down trees, they're not spilling oil. It's just code". Another participant shared, "I think it has to do with the image of IT companies being like… so super awesome, producing in high tech factories; so you don't really associate them with child labor and stuff". These statements led me to formulate RQ3: What, if any, is the difference in consumer perception of CSR in the IT sector compared to other industries?

CHAPTER 4

FINDINGS

The following chapter presents the findings from the focus groups and identifies key themes that emerged across the three sessions[8]. It opens with an outline of the warm up and then delves into the three main questions: (1) How do European consumers feel about CSR? (2) How do European consumers view the behavior of IT companies? And (3), what, if any, is the difference in European consumer perception of CSR in the IT sector compared to other industries?

WARM UP: MAPPING THE INDUSTRY

This section presents information that respondents revealed before being confronted with CSR. At the beginning of each focus group, participants were asked to note down on a piece of paper any companies that came to mind when thinking of information technology. While the insights derived from their responses were not intended to paint a representative picture of company popularity, they were useful to ground the discussion and get participants thinking about the IT industry. In total, 16 respondents named 21 companies. Two respondents did not name any company. The five most cited companies were (in order of frequency): Google (n=16), Apple (n=11), Microsoft[9] (n=8), Cisco[10] (n=5), and Samsung (n=4). Other mentions include (in alphabetical order): Amazon, Facebook, HP, HTC, IBM, Intel, REM (Blackberry), Lenovo, LG, Nokia, Mozilla (Firefox), Oracle, SAP, Sony, SUSE (Linux), and Yahoo.

Next, respondents were asked to pick their favorite IT firm. With only four different companies mentioned, this yielded relatively homogenous results. Also, the two most favored companies were the very same that topped the results of the previous question, only in reverse order: Apple (n=8) took a slight lead over Google (n=7). It thus seems as if the companies that were on most people's minds when they heard the term 'information technology' are also the companies that are most widely admired. Microsoft took third place, but by a significantly

---

[8] The focus group transcripts can be found in the appendix (pp.70-131).

[9] Two participants mentioned Windows. This was attributed to Microsoft.

[10] In this listing Cisco might appear like the odd one out, given that it its range of products and services are mostly marketed B2B. When probed, participants revealed that either they had heard about the company during their university studies, or that they had friends working for the company. A Bulgarian and a Romanian respondent shared that Cisco was recruiting heavily in their home countries.

lower vote (n=2). Lastly, one respondent chose SUSE, producer of the open source operating system Linux. Subsequently, respondents were asked why they had opted for a particular company.

Factors That Influence Attitude toward Brand

The most frequently offered reason why respondents nominated Apple as their favorite brand was 'ease of use'. Effectively, nearly everyone put forward some variation of 'user friendliness' as motivation for their choice. Many owned an iPhone, iPad, iPod, or Macbook, and praised the ergonomics of these products. About two thirds indicated that they appreciate the product design, i.e. the way the product "looks and feels". Some said that they admired the innovative force behind Apple. One student shared: "I just love how they [Apple products] work. The user experience is fantastic, they look great, and they are always the best on the market." Another stated that "Apple is always ahead of the competition, both in terms of design and functionality. Remember when they combined text messages into conversations? I was like 'wow'. It's so simple, yet nobody had done it".

Respondents that chose Google stated almost unanimously that they use Google every day. They often referred to how it had become a part of their daily lives; how it had even made its way into everyday culture. One participant exclaimed, "Yeah, Google. It's a verb". Another said: "You don't 'yahoo' stuff; you 'google' it". Other respondents indicated that Google 'defined' the Internet; or even that "Google *is* the Internet". Like Apple, Google was linked to innovation. One student shared: "Have you seen the new conversational search? It's voice controlled. You ask a question… as in you say it out loud, and Google answers. It's like the supercomputers in science fiction movies". Another prominent aspect that motivated respondents' choice was their interest in potential employment opportunities. About two thirds noted the fact that Google is said to treat its employees well.

RQ1: HOW CONSUMERS FEEL ABOUT CSR

This section presents insights pertaining to RQ1—how do European consumers feel about CSR? It discusses respondents' perceptions of CSR. How do they interpret the concept? What aspects are relevant? What are the perceptions of corporate motives? Lastly, it investigates trust in CSR communication.

How Consumers Interpret 'CSR'

Following the warm-up, participants were asked if they were familiar with the concept of corporate social responsibility, or CSR. About two thirds affirmed this; they were invited to note down their interpretation of the concept in a few words. Subsequently, they were encouraged to share their ideas with the group. This yielded a wide range of meanings and interpretations. These varied greatly in terms of complexity, from only a few keywords to more elaborate definitions. Salient keywords were sustainability, the environment, and human rights. One student called CSR a "code of conduct for corporations". Multiple participants pointed out that it involves minimizing the impact of industry on the environment, or "being green".

Overall, the sentiment regarding CSR was divided. About half of participants introduced either neutral, or principally positive definitions. The other half presented predominantly negative interpretations. Consider these examples of positive/neutral meanings:

CSR involves respect for human rights, nature, and the well-being of society.

CSR means doing business in a sustainable way; making use of renewable energy, supporting the local communities, and being environmentally friendly.

CSR means being friends with everyone, in a certain sense.

Some respondents included a critical element, leading to a more balanced perspective that hinted what they expected to be the underlying motives for CSR. A female student stressed that CSR implied "solidarity with the local community, caring for the weaker elements of society. But it is also a political tool. Companies do not only want to be noble; they want to improve their reputation". Some participants were even more skeptical, raising serious doubts about the motives underlying CSR practice. Their definitions generally emphasized its instrumental nature. Consider the following examples: "To give back to society in order to take from it". Or: "CSR is a tool companies use to *pretend* they are responsible". Other

negatively loaded descriptions that arose were "greenwashing", "dust in the eyes", "window dressing", "covering their asses", and "cover up".

Perception of Corporate Motivations for CSR

All respondents seemed to be aware of the fact that the underlying interests for CSR engagement might be manifold. Whereas not everybody had included critical elements in their individual interpretations of CSR, the ensuing discussions showed that critical views were often shared by the majority of participants. The general consensus was that the key motives for organizations to engage in CSR were of commercial nature. However, respondents took no offense at this idea. Rather than stating that this led them to think negatively about a company, they took a pragmatic standpoint:

> Of course, companies do that [CSR] for their own purpose, for reputation, for political stuff; some companies use it for lobbying. But I also think: the good is done anyway. It doesn't matter why. If a foster home, or a forest, is sustained by the money of a company, it does not matter why the company is doing it—the good is done. The outcome counts.

Another participant rationalized the profit orientation of companies by saying that this was a necessary condition to being able to help in the first place:

> Nowadays even NGO's have a corporate mindset because they cannot help society if they do not take into account the business situation. In order to help the poor you have to make sure that you are not poor; so you have to make money.

Perception of Corporate Responsibility

Despite suspecting economic motives behind CSR, most participants felt that companies had a normative obligation to engage in CSR, whether this was rewarded or not. Many felt that the responsibility should not be pushed onto the end consumer, for example, by looking at whether they demanded CSR or not. The consensus was, "Why should *I* care? *They* should care! No matter what". That included practicing CSR also in markets where the regulatory environment might set lower standards than in the West:

> Centuries ago we didn't have employee rights either. But we're not in the Middle Ages anymore. These companies should know better. And they do have the money to pay a little bit more attention to civil rights.

CSR was demanded especially from bigger corporations. This was generally argued from a resource-based view. Participants felt that those industry players who generated the highest profits had the greatest responsibility to set a good example. The following statements further illustrate this point:

> Their sheer size allows for additional budget that can be invested into [CSR].

> They have the possibility to reach so many people so they could do something for a good cause. It shouldn't even be expensive for them.

By the same logic, expectations on smaller companies were lower: "My boyfriend works in IT. But only in a small company—like 50 employees. They can't do so much." Another respondent argued, "You ask the wealthy man to give to the poor, not the poor man".

Aside from wealth, participants felt that increasing power demanded greater responsibility from companies. While most students thought that it should be primarily governments who uphold moral values and care for their citizens, the consensus was that politics had long lost leverage over big corporations. Participants offered several explanations for this: some presumed conflict of interests, implying that politicians were in the pockets of big business; others stressed that the state was toothless—the bureaucratic apparatus too slow-moving and fines ineffectively low. Consider these examples:

> Government should do it: they should regulate. It's their task to protect the people. But we have this liberalism all throughout Europe and the US. Politicians follow the corporate rules. And they're not interested in restricting big companies. It ain't gonna happen.

> The European Commission tried to penalize Microsoft because when you installed Windows you had no choice what browser to use. And that's against the law. So they warned them in 2003, and fined them ten years later. For, I think, 200 million. Microsoft makes 200 million in two weeks!

When prompted about what the responsibilities of companies where exactly, respondents generally stated that the biggest priority should be to do no harm to environment or workforce, to "minimize the impact of their core business model". It was not regarded as important that companies engaged in unrelated activities: "I don't care if they go and help foster children, that's not their job. They should make sure they don't do harm themselves, that's important".

Interviewer: Is it Apple's responsibility to alleviate poverty?

Respondent: No, of course not. They should provide good computers, and good jobs.

Important Aspects of CSR

Participants were confronted with a list of CSR aspects compiled by Wang & Goodman (2006). When asked which aspects they regarded as most important, the majority of respondents named environmental protection and energy preservation. In the opinion of most participants, this blended into a single category. In total, about two thirds of respondents indicated either of the two as their key concern (n=11). This was followed by workplace health and safety (n=4), and fighting poverty (n=2). Helping youth and children was also mentioned (n=1). CSR aspects that were perceived as least relevant were international relations engagement, community development, and patriotism promotion. The latter was believed by many participants to be irrelevant in the European context. Interestingly, nobody pointed out consumer rights as their prime concern. When probed, one participant revealed that she believed, "that [didn't] even factor into CSR. It's just a necessity on its own". Respondents were also asked if they would like to add aspects to the list. One aspect that emerged in this context was gender equality. A female respondent remarked: "The CEO of Yahoo is a woman. I support that, I think women empowerment is really important."

Trust in CSR Communication

Overall confidence in company claims was low. The consensus was that unsubstantiated claims would be dismissed immediately. That is to say, the majority of participants reported they were reluctant to believe in company promises unless they saw tangible outcomes. At the same time, several participants pointed out the dilemma that, since most IT products were manufactured overseas, it would be hard—if not impossible—to reliably assess the outcome of corporate promises from your living room. Eventually they would have to base their assessment on mediated information. One student addressed the paradox: "It's funny that you get the information that ICT is good via ICT". Nonetheless, many participants made clear that they were not interested in hearing about corporate intentions. One student described information on corporate commitment as 'worthless' because it "might be true or not. But there's often a huge gap between a statement and the execution".

In two of the focus group sessions, participants were debating whether companies were entirely responsible for the working conditions at contracted factories, for example. One student argued that companies might genuinely intend to do good, but simply could not live

up to their ideals. This idea was strongly contested by the majority, who insisted that bigger corporations should be held accountable for every step of the supply chain: "They are the big players in the supply chain so they can make rules there". One respondent remarked:

> You know what Nokia said when they [the media] leaked the terrible working conditions at their factories? They said that whenever our people went over there to check, they [the contractors] were hiding that stuff. I mean, they said the same about the concentration camps in Germany. You don't outsource to Bangladesh not knowing what the conditions are over there.

On the whole, direct communication (company to consumer) was particularly untrusted. One respondent captured the general sentiment, saying, "When companies present their own initiatives, it always sounds a bit marketing-like to me. I don't trust in that." This skepticism also extended to factual corporate reporting and mandatory disclosure. Several students stated that they only put limited confidence in self-reported data, including sustainability reports or (energy) labels. One student cynically remarked that, "nowadays they write 'beef' on the label and sell you horse meat". Another, referencing the financial crisis, stated that, "You cannot even believe their finances. Why should we believe their CSR claims?" Participants also perceived sustainability reports to be deliberately disengaging. Consider the following exchange:

> P1: Has anyone ever read a sustainability report?
> P2: I've tried. But it's like a book...
> P1: Yeah, it's like they don't want you to read them.

Participants tended to be a little more forgiving if the communication originated from a third party source. But independent sources were drawn into doubt as well: "You know, those so-called independent parties, they're also paid off by companies". Some students indicated that they were more inclined to believe in corporate initiatives once they heard about them from multiple sources. One participant stated that "good CSR should not be advertised at all. You just do it, and people know it". However, a few students commented that they thought themselves more skeptical than the mass of consumers: "the average person might believe them [the companies]. But we are all university students. I think we're more critical".

One student suggested that, in order to make their CSR commitment tangible and credible, IT companies should utilize the potential of Web. He referred to Facebook as a positive example, saying that the company allowed users to monitor the energy consumption

of one of its server farms via an interactive tool. Another student wondered whether it would not be feasible to install webcams at production facilities, so that interested consumers could examine the conditions for themselves. In response, however, the majority of students admitted that they would have neither the time nor the interest to make use of such features. Nevertheless, there seemed to be a consensus that their implementation could have a positive effect on credibility.

Summary

The majority of respondents doubted that the corporate motivations for engaging in CSR were of altruistic nature. Most participants suspected that companies advanced the CSR agenda only to build their corporate reputation. However—as the profit orientation of enterprises was accepted as an unalterable fact of life—this did not necessarily promote negative feelings. Some respondents adopted a means/end rationality, stating that it was the outcome that counted, not the motive. The findings suggest that respondents expect more from MNCs than from smaller players. Interestingly, this was often argued from an ethical point of view: because large companies often have the means to do 'good', they also have a normative obligation to do so. When asked about where companies should contribute, environmental protection and energy conservation, and workplace health and safety were regarded as most important. However, even if companies were to contribute in these areas, it would be difficult to convince participants of their contribution: in general, respondents indicated that they mistrust CSR communication.

RQ2: VIEWS ON CORPORATE BEHAVIOR

This section presents findings pertaining to RQ2—how European consumers view the behavior of IT-companies. First, it discusses consumers' general level of awareness and how they learn of corporate behavior. Then it outlines the effect of corporate behavior on consumer behavior, with emphasis on the underlying motives for consumer response.

Awareness of Corporate Activities

With the exception of a few issues (Apple/Foxconn suicides, Google employment perks), participants' general level of awareness was rather low. Initial responses were often brief and required further clarification, as they often only entailed simplistic value judgments about certain companies. In the course of the discussion, some students admitted that they had formed an opinion about certain companies, but that this was not based on any substantial information. For example, one student simply said, "Apple sucks. I think. Well, I don't know the specifics; but I've read that because they are so popular they can do whatever they want". Another participant stepped in to clarify:

> I know that they are producing in China… Foxconn… 100,000 workers live there, in dorms with ten beds each. They work 12-14 hours a day, seven days a week. The suicide rate is crazy. I think, in 2012, 30 people jumped off the building. The working conditions must be appalling.

Interestingly, the suicides at Foxconn were brought up unprompted and connected to Apple in two out of three focus groups and in the pilot interview. Overall, about two thirds of participants were aware of the allegedly bad working conditions at the Chinese manufacturer. When asked about how they learned of these incidents/conditions, nearly all respondents stated that they had learnt of this through news media coverage. One respondent said she had heard about it in a TV documentary.

Also, most (if not all) respondents were aware of the fact that big Internet companies such as Google or Facebook are gathering information about their users on the Web. Several students were able to explain in detail the process by which companies were utilizing cookies to track their online behavior, and some had concrete ideas as to what consequences this entailed. One student rumored:

> I heard that flight tickets are more expensive when you book them on a Mac, because companies assume you have more money when you're using Apple. Amazon is doing

the same thing, I believe; adjusting prices depending on how many times you look at an item. It's ridiculous.

However, only three students indicated that they read the user agreements of the software/Internet products they used, meaning that the large majority is unaware (at least of the details) of the agreements they enter into.

Another example of negative corporate behavior that was put forth was the large amount of energy consumed by server farms of large Internet firms and cloud services. Participants often linked this to Google, Facebook, and Amazon. Two participants also remarked that such server farms were often built in places where nobody lives, such as deserts. On the one hand, this was presumed to be related to lower costs. But one student noted it might also serve to "hide the ugly side of the Internet".

Lastly, one student brought up the fact that many IT products contain conflict minerals from Africa: "I think it's called Coltan or something. It's mined in Congo… and they use it for chips, I think… CPUs". About the effects, he said: "There's children working in mines, warlords fighting over the mines… civil war basically… financed by Western corporations". When asked about which brands he thought were using these materials, the student replied, "I think all of them", and explained:

> They can get away with it, because the truth is, we don't know what's in our phones. We don't know how they work; we don't understand the least bit about them. We only know what they do and why we need them.

This statement seemed to resonate with the rest of the group, earning affirmative nods. However, nobody else in that group seemed to be aware of the presence of conflict minerals in IT products. The student who brought it up stated he had learnt about it in university, and that it wasn't reported on in the mainstream media.

When asked about examples of positive corporate behavior, respondents mostly shared workplace related information. Many students mentioned benefits at Google, such as '20 Percent Time', where engineers get to spend one day per week on projects of their own, free food, or fitness centers at work. Two respondents identified Google as Fortune's 'Best Company to Work For'. Some participants were able to describe Google's perks in great detail. One student shared:

> I think everybody knows about their offices, and their culture towards employees. They are creating an environment much like your living room, where you can work

and feel good. They have a masseuse, they have game rooms, they have snack corners…

However, not all IT companies were associated with a positive corporate culture. Samsung, for example, was described as extremely hierarchical and unwelcoming to outsiders—"the opposite of Google". A male respondent claimed that one had to be a member of the Korean clan of owners to be successful at Samsung.

Apart from work related benefits, participants tended to discuss charity. The German software company SAP was said to donate "huge amounts to charity for children". Furthermore, Microsoft was pointed out as a 'good' company by roughly a third of the students. Usually, the name 'Bill Gates' (former CEO and current chairman of Microsoft) came up in conjunction with this judgment. About half of all participants were familiar with the fact that Bill Gates has donated a substantial amount of his vast fortune to charity and social causes. However, participants could not really elaborate on what goals Gates promoted or what initiatives he funded in particular. One respondent assumed it had to do with "children and medicine"; another, that it was related to "curing AIDS". Furthermore, there was considerable debate on whether Gates' social engagement should be attributed to Microsoft at all; whether it was not his personal contribution, rather than company CSR. Some students pointed out that Gates' pledges were handled via the Bill and Melinda Gates Foundation, not via Microsoft. However, some felt that this did not make a difference. One student explained: "He made his fortune through Microsoft. So what does it matter if he's still there or not. The money came from Microsoft one way or the other".

A variable that seemed to impact some participants' awareness was geography. One respondent pointed out that she had trouble discussing the behavior of IT companies because she knew no such companies in Holland. She did, however, indicate that she was aware of several activities at her local bank, for example. Another participant stated that she knew about activities at the German software firm SAP because she "basically live[s] next to SAP". These statements suggest that consumer awareness of corporate behavior is also mediated by geographical proximity: consumers seem to be more aware of things that happen in the community they reside in.

Another interesting observation was that, despite a lack of information on concrete corporate activities, many respondents held a critical view towards corporate behavior in general:

> I think most large corporate structures take advantage of low labor costs in developing countries. And then they have this huge added value that comes out of nowhere. Their profits are sky high but they basically screw up the prosperity of entire nations.

> I don't trust big companies. The bigger they are, the meaner they are.

> Companies actually cause most of these problems [in emerging economies] themselves because they want the cheapest price.

How Consumers Learn About Corporate Behavior

The predominant view regarding information on corporate behavior was that important issues should be discussed in the media. With the exception of the few occasions that students had to research corporate behavior in the context of their university studies, not a single participant had ever actively informed him or herself about a company's activities prior to purchasing an IT product. Most students also admitted that, even though they were aware of the fact that many companies published corporate sustainability reports, nobody had an interest in reading them. Some participants hinted at the fact that this also had to do with a lack of trust placed in such documents (see p.39). Also, respondents brought up the fact that as far as IT is concerned, there was very little information available with regard to how products are made. One student compared it to the food industry, highlighting that while products in the supermarket generally listed all ingredients, there was no such convention in other industries:

> When you purchase a phone, you can't really look on the pack and say, 'Okay, there are some bad materials in here', or see how it was made… So we don't really pay attention to those details.

On several occasions students signaled that they inferred the 'character' of a corporation from their perception of the CEO's character.

Deducing Corporate Behavior from Individual Behavior. The example of Bill Gates' actions reflecting on the image of Microsoft suggests that several students were better informed of the individual behavior of prominent figures such as Gates than about the behavior of corporations. Consequently, their beliefs regarding certain companies seemed to be subject to some sort of association bias, or halo effect; i.e. their judgments of the individual were transferred onto the companies that this individual was affiliated with. Another example of such an identification figure is Steve Jobs (only that in the case of Jobs, sentiment shifted

into the opposite direction). One student shared: "I personally really dislike Apple because I read the Steve Jobs book and they very explicitly describe that he doesn't believe in corporate social responsibility, or any responsibility for that matter, because the company is just there to make money". The notion that these prominent founders/CEOs had tremendous impact on how respondents viewed their organization also became apparent through the circumstance that some respondents stopped referring to companies altogether; instead, they debated the founders' behavior or used the founders' names synonymously for the organization: "I think that Bill Gates has a foundation with his wife, right? He donated a lot of money. I think Steve Jobs didn't do it".

Deducing Corporate Behavior from General Image. Many participants comments showed that, in the absence of tangible information on corporate behavior, they relied on the general image they had of a company to make inferences about corporate behavior:

> When you see the ads, people hugging each other with an iPhone in their hands, it's always really social. They just look like a nice company.

> It's hard for me to believe that Apple is involved in this stuff because they're this fancy company that's just got everything right. You don't associate them with bad labor conditions.

Some participants indicated that they are also impacted by what others are doing. A line of reasoning was that if a lot of other people were buying from a company, there should not be anything wrong with it.

> People don't think for themselves. They assess the reputation of a company based on what other people say. They say, 'Look, everybody has Apple, Apple must be a good company'.

The Impact of Corporate Behavior on Consumer Behavior

Generally, respondents admitted that CSR had little to no influence on their purchasing behavior. There were, of course, a few exceptions: one participant explicitly stated that she did not own any Apple products because she did not agree with Steve Jobs' business philosophy. However, the overwhelming majority of participants were less critical:

> I don't mean to sound cruel. But I only get the product. If it works for me, that's cool. How it's made won't really impact me.

> If you ask me now, I'd say that a tragic event would definitely impact my decision. But when I visualize myself, the last time I stood in a shop about to buy something, I never think about that stuff. All the things that I consider in a shop are price, quality, and the competitors on the shelf.

When respondents were requested to name decision factors they regarded as important when choosing an IT product, such as a new phone, computer, or software product, all respondents referred to product specifications (feature set) or measurable performance criteria (memory, speed, etc.). A majority also emphasized usability or product design. A few participants brought up price and value for money. However, there seemed to be a consensus that students were willing to spend considerable amounts of money on products that match their needs, confirming the notion that functionality and performance are critical purchase criteria. Beyond these intrinsic factors, participants stated that friends' recommendations and product reviews on the Internet impacted their purchasing behavior. Based on first recall, issues relating to corporate behavior or corporate social responsibility were not mentioned at all.

Later in the discussion, the following consensus emerged: high profile negative events *might* have an effect on consumer choices and attitudes, whereas positive corporate behavior had no effect at all. One reason for this was awareness. Given that participants expressed a passive attitude towards CSR information, i.e. they generally stated that they were waiting to be informed by the media, major scandals were usually more widely known than less newsworthy, positive engagements. As one student explained,

> Mostly, what is being widely advertised are the negative situations. When something bad happens, then everybody knows about it. But the positive things, they're not that well known.

Another core factor, however, was that consumers decisions seemed to be motivated extrinsically, i.e. through peer pressure, rather than intrinsically (see below, 'Going with the Flow'). Hence, some participants felt that they were expected by their peers to punish negative corporate behavior.

An exceptional issue was consumer privacy. Here, several participants showed high degrees of personal involvement. For example, one participant confessed to having a fake identity on the Internet, because she did not want her personal information to be spread: "I have a fake email address with a fake name, fake data, and with that I log in everywhere". Another student reported that she had placed a sticker on her webcam for fear of hackers

controlling it remotely: "That's what I'm always afraid of; that I'm being watched through my webcam." While this statement generated laughter from the group, a number of other respondents admitted that this had at least crossed their mind. However, the majority of respondents seemed to accept the gradual decrease of consumer privacy as a fact of modern life (see below, 'Pervasiveness of Surveillance'). Overall, participants rationalized their lack of response to corporate behavior in numerous colorful ways; the most important ones are discussed below.

Perceived Tradeoffs. Some participants indicated that there simply were not willing, or not able, to make tradeoffs on product price or quality. A few respondents indicated that financial constraints kept them from considering CSR. One was convinced that "it's a money thing. Most of the times those [sustainable] products are more expensive, and as a student I don't have the money to buy them". Another shared: "I would like to believe it impacted my purchase decision. But you know… a big enough discount can pretty much shut off any critical thoughts". Other participants pointed out that even if they were willing to take CSR into account at a price premium, there would often be sustainable options that could provide the similar functionality:

> I don't want to give up my luxury. I might be willing to pay €50 more if I knew that the production did not do any harm. But I don't get that option. Give me the same phone in a more sustainable version.

In fact, in the case of high tech products, the core restraint seemed to be functionality rather than price. The majority of participants indicated that they were simply looking for the product that best suited their needs, and that this was so important that almost no other factors would be considered: "But generally [CSR] is not something that comes to mind (…) you know, I want my product; I want it to be the best; so who cares".

Powerlessness of Individuals. Another major deterrent from considering CSR in buying decisions was the notion that one person's decisions do not make a difference. Most participants felt that the impact of their individual consumption was negligible and would not have an influence on how companies conduct business. The following statements illustrate this conclusion:

> You can turn vegetarian, but the meat is already dead.

> Think of emerging markets. Billions of Chinese are entering the consumer market. If we stop buying, in China they want these products. Demand just shifts to those places.

> Apple is so big; they're selling 40 million iPhones per quarter. If I don't buy one, what's the difference? It's just me, there's no mass movement. If my friends didn't buy it, maybe I wouldn't either.

The latter statement hints at the fact that the behavior of peers also plays an important role (See next page, 'Going with the Flow').

Some participants, however, mentioned successful examples of consumer activism, illustrating that consumers did actually have a voice in corporate dealings. One participant knew that Microsoft—in response to overwhelming negative feedback from consumers—had announced a major update of its flagship operating system *Windows 8* only three months after its initial launch. Other students cited the following examples:

> Apple has this one year warranty rule on all their products, right. But in China people complained, saying it was too short… a huge mass movement. Apple now gives two years warranty in China, only in China. The rest of the world still gets one year.

> A year ago Nestle had a problem with their baby food. And mothers stopped buying this stuff in Europe. They had huge losses. Eventually they stopped producing in China. So it does have an impact. One person started this and many people followed. But yeah, babies were dying. Mothers care about their babies…

Though as these examples were discussed, respondents noted that in most of those cases the negative consequences of company behavior were borne by the consumers themselves. Several students expressed doubt that the masses would fight so diligently for the rights of invisible stakeholders such as the environment or factory workers. Consider this statement, for example:

> I care what's on the back of my food [on the label]. I don't really care, what's on the back of my phone. I mean, if you eat something bad you get sick. But what happens to somebody in Zimbabwe; you could care less, right?

Other respondents argued that even if one *did* care, boycotting products manufactured in low wage countries, for example, would only harm the local economy. Many respondents seemed to agree that a bad job is better than no job, and that their consumption at least ensured the preservation of the latter:

The people working in those factories are giving their families food. And if we decide not to buy anymore, what is going to happen? Those people just lose their jobs.

Going with the Flow. Several statements suggested that peers also exert important influence on consumer decisions. For example, the argument that individual decisions did not make an impact was often accompanied by the assertion that other people did not care either. Or vice versa, if the masses did care, so might the individual. Consider these statements:

I don't have very strong principles against using these not socially responsible products. Some people do. And if there was a mass movement, people saying 'we're not buying that product', maybe that would influence me too.

Some students stated that they would be reluctant to purchase a product following a bigger scandal for fear of being judged by their peers. One respondent, for example, stated he would not like to be seen shopping at Primark at the moment, for fear of being judged[11]. About a quarter of respondents indicated that while they might still buy a product following a negative event, this could impact the likelihood of recommending it to friends, given that they would secretly feel ashamed of their choice. One student asserted that it might have negative implications for product satisfaction.

[It] might impact the image I have of a company. So I would be less likely to recommend it. But I would buy it myself. [Laughter] I know it's weird. But you bare the guilt yourself.

When I imagine myself at the buying point, it's more impulsive. I just want to buy that stuff. It's like when you're on a diet. You know you shouldn't eat the BigMac. But it's hard. I might eat it in secret [laughs].

The Pervasiveness of Surveillance. In a similar vein, participants expressed their resignation over negative implications of popular Web services. Several students pointed out the increasing omnipresence of surveillance. They felt like it was becoming an inescapable fact of live. Therefore, one had better get used to it. For example, a female respondent complained

---

[11] A few weeks prior to the focus group session, over 1000 workers lost their lives due to the collapse of a textile factory in Bangladesh. The factory had produced garments for Primark.

that, "in the USA the government can track anybody using GPS. They're allowed to do that without a warrant".

> If you want to use these services you just got to learn to live with it and say goodbye to your privacy.

> You cannot protect data online, that's a myth. My Dropbox, my Facebook, everything I put online, I agree with it to be public.

On the other hand, about a third of the participants felt that giving up some privacy was a legitimate exchange for getting a product free of charge.

> It's not like companies are doing anything illegal. They ask you. You signed an agreement. You want to use their free service; you have to give up your data, that's how they make money.

Some participants felt that the mass of data would preserve a level of anonymity. Others stated that they had nothing to hide and that the information companies were getting from them was trivial: "I actually don't care if Google knows that I prefer red shoes over white shoes".

Implications of Corporate Behavior for Seeking Employment

Some students indicated that they might be more willing to consider CSR when evaluating employers than when evaluating purchase options. However, this was often related to the dimensions that would directly affect them, such as working conditions, for example. Other than that, participants only expressed the wish to work for a company whose core business was not perceived as inherently harmful. A couple of students said that they might have second thoughts about working for a tobacco company, for example. However, as in the case of consumption decisions, such doubts seemed to be extrinsically motivated—students feared they might be judged negatively by their peers. Other students were less scrupulous, indicating that they might accept unsustainable practices in exchange for higher pay: "Working conditions would affect me. But if they [the company] are not so green… Mmm, depends on what they are paying".

> Interviewer: Assume you have a job offer from Company A and Company B; the conditions are identical. One company is involved in a scandal concerning workplace safety at a Chinese supplier…

Respondent: I'd go for the company that pays more. [Laughter]

Interviewer: I said the conditions are identical. They are paying the same.

Respondent: Oh. I guess that shows my priorities.

Summary

With the exception of a few issues that gained prominence in the media, participants' awareness of corporate behavior was rather low. However, a distinction can be made with regard to issues of corporate behavior that impacted participants directly. Interestingly, all respondents were aware of the privacy hazards posed by the Internet services they were using.

The general consensus was that participants do not actively search out information on corporate behavior; rather they expect to hear about salient issues in the media. In the absence of concrete information on a company behavior, respondents relied on the general image they had of a company. Sometimes this image was based only on the perception of a CEO's personality.

Corporate behavior generally played only a minor role in purchasing decisions. The only times it might affect their decisions, participants reported, were in the event of major crises (for fear of being judged) or when their privacy was at risk. Factors that kept participants from considering corporate behavior as part of the purchasing process were perceived tradeoffs in price or product quality/functionality; a general perception that their individual decisions remained without consequence; and the perception that nobody else cared about corporate behavior. Also, participants pointed out that sometimes an unsustainable product was the lesser of two evils, reasoning that an exploited workforce was better off than a jobless workforce. Only a handful of respondents indicated that they would consider corporate behavior when seeking employment.

RQ3: CSR IN THE IT INDUSTRY

This section presents the findings relating to RQ3—what, if any, is the difference in European consumer perception of CSR in the IT sector compared to other industries?

Participants generally had positive associations with the IT industry. In part, this could be traced back to students' considerable affection for technology gadgets and services like the Internet, apps, or games. As described previously, some expressed strong emotions when referring to their favorite product or brand ("I love Apple", et cetera). Many also noted that they had a special relationship with technology that they used frequently, such as their phones or computers. Some participants indicated, for example, that their phone carries sentimental value; that it had become a part of their lives. Someone said:

> I think that people identify with Google and Apple more than with other companies. They use their products every day, they grow attached to them. I mean, my phone carries sentimental value… It's almost like an extension of myself. It has my pictures on it, conversations with friends…

Many people agreed that the level of personal involvement was much higher for IT products than for many other product categories. This seemed to impact their assessment of corporate behavior—in as much as that they tended to be more forgiving when they really liked a product:

> People don't focus on the bad stuff. They don't want to know. I heard about some of that bad stuff. But I forgot it. You know, I use my iPhone, I love it, and so I don't care if Apple is doing bad things.

Respondents thought that the IT industry was not one that came to mind quickly when talking about unsustainable practices. One participant shared: "It's difficult to imagine the negative side of IT. It hardly produces waste. As long as they recycle the stuff they throw out of the office". This led some respondents to conclude that special CSR activities might not be necessary in this sector: "Chemical companies, they need to do CSR. They f—k the s—t out of everybody. But IT… IT isn't a sector that takes a lot from society, so I don't see a reason to invest in CSR". However, it was noted that this also depended on the product type. While software production, for example, was presumed to have no negative impact on the environment, data storage and processing were associated with high levels of energy consumption. Also, it was noted that the production of electronic parts lead to environmental

degradation through mining and the usage of various chemicals. However, as neither the raw material mining nor the production took place in Europe, respondents felt that these negative externalities were hard to conceptualize.

Instead, participants stressed that most IT products made their lives more comfortable. Some felt that CSR was almost 'inherent' in many products and services. For example, many respondents felt that Google was contributing greatly to their daily lives, in ways that contributed to their personal development. For example, a respondent noted that, "Google organizes the whole world. Imagine a world without them: life would be way harder". Highly regarded benefits of IT were perceived increases in productivity and knowledge transfer. One student shared: "I've learned so many things through YouTube. I wish it had been around when I was in high school. I might have gotten better grades". Some respondents pointed out the positive role that social media played in the Arab Spring, stating that it could be a force for democracy. In general, participants agreed that communication technology improved living conditions around the world. A female respondent shared an interesting anecdote:

> [Do] you know what they do in Somalia? They don't have land, they don't have food, they don't have water, but they have mobile phones. You know why? Because indeed it's cheap, and if someone's goat is missing… he can call a neighbor, like 20 kilometers away; he doesn't have to walk all the way over and ask 'Is my goat over here?'

Another interesting observation was that several participants seemed to not only feel a special connection to technology products themselves, but also with the people who made these products. In few cases this was expressed as admiration for company founders like Steve Jobs. For example, two students indicated that they admired Jobs' creative vision, that he had become "part of pop culture". But it was also expressed by the image that respondents had of people working in the IT industry in general. For some reason, participants seemed to perceive IT workers as more trustworthy than people in other professions. One participant noted that "computer nerds are cuddlier than investment bankers". Also, they were thought to be younger (and thus more similar to the respondents) which seemed to have a positive effect on trust.

Respondent: I think that many young people work in IT.

Interviewer: And you trust young people more than old people?

Respondent: Well, in a way, yes. I think they have the greater interest in sustainability. I mean, it's our future.

Several participants shared that CSR might be less relevant in the IT sector because of lock-in effects. Especially with regard to Internet services, participants pointed out their dependency on certain indispensable services:

> If I have to give all my data to an online shop, I might choose not to and simply go and buy at another shop. But for many services it's not so easy.

> Can you stop them from scanning your mail? You can't. So what's my choice? Not having an email account? I have to agree their terms, one way or the other.

It seemed that network effects and issues of social inclusion also were important motives for ignoring CSR implications:

> Everybody has WhatsApp. So you're basically forced to have it too. You need an iPhone, it's a group thing. The same goes for Facebook.

> You have to be on Facebook these days whether you like it or not; otherwise you're forgotten.

Summary

Participants identified the following differences between the IT sector and other sectors: (1) many products were thought of as high involvement products that respondents held dear, such as their personal computers or phones. This emotional attachment was pointed out by respondents themselves as a possible neutralizing force against negative information about a firm or product. (2) Participants felt that information technology was inherently beneficial to human development, and that it was produced with an honest desire to improve people's lives. (3) Despite a general awareness of the vast amount of energy consumed by parts of the industry, the overall ecological footprint of IT companies was perceived to be smaller than that of many other industries. (4) Participants pointed out the fact that information technology often relied on network effects. This, in turn, created considerable peer pressure to use certain products in order to be able to communicate with friends. Several respondents emphasized that they were, to some extent, dependent on certain products for matters of social inclusion. (5) Lastly, many participants were under the impression that the IT sector was run by intelligent, young, and/or visionary people. This promoted greater levels of trust among the sample.

CHAPTER 5

DISCUSSION

This chapter takes a closer look at interesting findings that emerged during this study. It also discusses its limitations, along with suggestions for further research, and practical implications.

THE INSTRUMENTALITY OF CSR

This thesis set out to explore current perceptions of consumers concerning corporate social responsibility (CSR). An important aspect of the research was the question what motives consumers recognize as the impetus for corporate CSR initiatives. The findings show that most (if not all) respondents believe that CSR has more to do with economic concerns than with 'doing good' for its own sake. Many participants suspected facets of corporate reputation to be the core driver behind CSR engagement. This reflects critics' assertions that corporate CSR is foremost a result of external forces as opposed to a genuine desire of organizations to take responsibility for the effects of their actions (i.e. Chandler, 2006; Roberts, 2001).

The perception that CSR was foremost a marketing tool was also implied in some participants' comments on what should be part of CSR and who should practice it. The idea that CSR was mostly relevant for big corporations because 'they have the means', for example, suggests that CSR was interpreted as a philanthropic add-on, as opposed to a set of principles that any company should integrate into their operations or business strategy. This impression is further supported by the observation that some respondents felt that respect for consumer rights was a central requirement of business and thus *outside* the realm of CSR—which leads to the logical conclusion that whatever falls *inside* the realm of CSR must not be stringently required.

The perceived instrumentality of CSR was not, however, automatically understood as irreconcilable with a positive social and environmental impact. As some participants pointed out, 'good' things can be achieved regardless of ulterior commercial motivations. Even though firms might only invest in CSR to comply with external demands, the output remains the same. Thus, as participants wrestled through the web of competing corporate commitments, consequentialist rationality prevailed over a deontological stance. In the words

of a participant: "[I]t does not matter why the company is doing it; the good is done. The outcome counts".

Perhaps most notable was the fact that none of the participants expected corporations to act any differently. That is to say, hardly did they draw into question the underlying values of enterprise culture. Rather, participants acknowledged that, with financial interests superseding most other interests, there was only limited space for ethical considerations within corporate processes. Profit maximization was understood and accepted as the self-evident guiding principle of the corporate enterprise, reducing morally questionable practices to the quality of routine business decisions. It almost appeared as if participants viewed morality as something alien to the logic of the corporate enterprise—something that, if included, could be enacted only "within a shareholder wealth maximization regime" (Phillips, 2003, p.495). This raises important questions of power and agency.

AGENCY AND POWER

To a certain extent, the primacy of the economic perspective on CSR might be a function of the study sample. The circumstance that slightly more than half of all participants were business majors might have shifted the findings towards a more management centered perspective than under more representative conditions. Surely, this is one of the limitations of the current study. However, it also provides an interesting point of speculation: given that these students are preparing to enter the corporate world, their attitudes are somewhat indicative of what kind of "business practices and values are considered good and appropriate in future society" (Lamsa, Vehkapera, Puttonen, & Pesonen, 2008). The fact that respondents identified profit maximization as the core priority of business, seeing only limited room for environmental and social concerns, casts doubt on the notion that the CSR agenda is truly moving forward. Even as CSR and ethics-related topics are increasingly integrated into international business curricula (Christensen, Peirce, Hartman, Hoffman, & Carrier, 2007), this seems to provide little to no stimulus to break out of the prevailing rationality of neoliberal culture. To the critical observer, however, this will not come as a surprise. Influential thinkers like Michel Foucault (1991) have long articulated that both academic discourse and academic institutions reinforce certain ideologies, or 'regimes of truth'. Business schools are training students with an eye on the needs of the labor market. As a result, they are shaping education to reinforce the current power structures, not to challenge them. In the words of Harvey (2000):

> On the one hand capital requires educated and flexible laborers, but on the other hand it refuses the idea that laborers should think for themselves. While education of the laborer appears important it cannot be the kind of education that permits free thinking. (p. 103)

Consequently it is doubtful that the inclusion of a number ethics classes will promote a radical paradigm shift away from the imperative of profit orientation to sustainability.

Foucault (1991) wrote that autonomy is always practiced within certain boundaries; boundaries that are not determined by the subject. In many ways, this idea is reflected by the findings of this study. On several occasions participants explicitly identified constraints that limited their choice. However, the notion of a limited field of action also emerged from things that were not discussed at all. For example, with the exception of prominent business leaders[12], ethical failures were not once attributed to individual, 'deviant' employees. Instead, they were located in the system, suggesting that participants see only limited room for individual agency. Similarly, when asked about their role as future employees, participants did not view themselves as moral agents but generally adopted a "field of visibility in which the autonomy of the self is only secured through conformity with the impersonal standards that accounting advertises and imposes" (Roberts, 2001, p.124).

To a large degree, participants also felt powerless in their role as consumers. This became especially evident in relation to multinational corporations (MNCs), which participants viewed as uncontrollable. Many participants believed that not even national governments could effectively regulate MNCs, especially in sectors as dynamic as information technology. In some cases, the perceived inability of the state to take action against corporations was used as justification for consumer inaction—if a coordinated group like a government cannot make a difference, how should individual consumers? Despite being aware of several examples of collective action undertaken by consumer activists, participants seemed convinced of their own powerlessness. From a Foucauldian point of view, one might conclude that through this way of thinking, they, too, help cement corporate power. In the least, it shows that participants are not in tune with the idea of an influential shift towards greater consumer power, which several commentators predicted would accompany the rise of the Internet (e.g. Argenti, 2006). Quite to the contrary, several participants indicated that they thought consumer rights were increasingly eroding as a result of technology. For example,

---

[12] Steve Jobs' perceived personal values were explicitly criticized.

many respondents felt that they had to give up at least part of their privacy in order to function in today's information society.

While *potential* consumer power thus might have increased with the arrival of the Web, this is not reflected in the findings. Arguably, this has to do with a lack of willingness to actively acquire CSR-related information on the Internet. On the whole, respondents demonstrated low levels of motivation to gather and/or critically process information about corporate behavior. The research thus challenges the idea that consumers are actively 'demanding' higher levels of transparency from corporations. It also raises doubts that consumers are eager to reward socially responsible behavior, as basically no respondent assigned any relevance to sustainability in their purchasing decisions. Actually, respondents reported they were inclined to take corporate behavior into account only under one condition—when their self-image was at risk.

THE NARCISSIST CONSUMER

I will argue that the contention that consumers have only limited moral agency in the marketplace is merely an excuse—possibly a consequence of social desirability bias. After all, while lamenting their own powerlessness, respondents also generated evidence to the contrary, thereby undermining their own arguments. What it boils down to is that consumers simply do not care enough. Essentially, participants employed the same rationality that they suspected companies were employing—maximizing personal benefits—which is probably why none of the respondents took offense at ulterior selfish motives. The findings of this research do not confirm that self-serving motives foster negative feelings towards company (e.g. Yoon et al., 2006; Becker-Olsen et al., 2006). Participants did not hold corporations to account, because they, too, judged themselves according to market terms. Relentlessly pursuing the best deal or a greater income, were perceived as normal, morally permissible behaviors—just as for companies to strive for the highest profits.

The general unwillingness to consider tradeoffs in price, product functionality, luxury, or convenience, naturally left only limited room for anticipating the consequences of one's actions on others. Just as they expected was the norm for companies, respondents seemingly had to see a 'business case' for considering CSR in their personal decision making. Remember that several participants indicated that they might refrain from buying products after a major crisis; or that they would think twice about working for a tobacco company—all for fear of being judged by their peers. This effectively reduces attention to CSR to mere reputation management. Just as has been criticized in the context of corporations, respondents,

too, were animated by purely instrumental motivation: they expressed concern not for moral values, but for how others see them. Furthermore, participants were essentially unwilling to accept any responsibility for the effects of economic activity on others—despite being aware of at least some negative effects of corporate behavior, including the fact that as consumers, they help reinforce such behavior by continuing to demand socially unsustainable products.

A EUROPEAN PERSPECTIVE

It was this research's stated goal to provide a *European* consumer perspective on CSR. In part, this was done because several researchers had suggested that CSR was nationally contingent, and understudied in the European context (e.g. Matten & Moon, 2008). Matten and Moon (2008) have suggested that CSR differs across cultural settings, because it is "located in wider responsibility systems in which business, government, legal, and social actors operate according to some measure of mutual responsiveness" (p.407). They further propose that in the case of the European context, the state has generally had greater influence on economic activity than in the United States, for example. To a certain degree this could explain why respondents were so reluctant to accept, at least partially, an independent consumer responsibility for the negative consequences of economic activity—they might just be used to the government accounting for the effects of economic processes, reasoning that if a product was on the European market, it could not be all that harmful. Contrary to this interpretation, however, many respondents stated that they felt government institutions had only limited power over MNCs. This study thus remains inconclusive as to who consumers believe should bear the responsibility for negative externalities of business—one thing certain, however, is that this would unlikely be the consumers themselves.

While the study was set up in a way to allow intercultural differences to emerge, no significant variances could be made out among the three regionally clustered focus group sessions. Instead, the impression arose, that disciplinary background accounted for more difference in opinions than cultural background. That is to say, there seemed to be a greater dissimilarity between the views of business students and public policy students, for example, than between Bulgarian and German students of the same discipline. Considering the sample size, however, this observation should not be over-interpreted—which brings me to the limitations of the present research.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

This study is based on a relatively small sample. Consequently, its findings should not be understood as representative of the entire population of European consumers. The sample demographic was in fact very specific (university students, aged 20-30). To introduce a wider variety of opinions, the present research could be replicated with a broader sample, encompassing a more representative age distribution, and people from different educational backgrounds. Also, the comparative element could be strengthened by conducting cross-national research in different European countries. In its present form, the research suffers from the fact that students, while originating from different European countries, all study in the same location. This requires a degree of mobility and willingness to adapt that could in itself be an indicator that participants do not represent the average consumer in their home countries. Of course, the research could also be extended beyond the European context, for example by comparing consumer perception across the BRIC countries (Brazil, Russia, India, and China), which are likely to play an increasingly important role in the demand for IT products in the future.

Assuming that there could be a smaller percentage of the general population that *does care a lot* about the implications of CSR, the research could be modified by taking additional attitude variables into account. Interviewing people who state that they are passionate environmentalists, for example, could yield further insights about the perceptions of this specific demographic. Lastly, the themes identified in this study could be followed up and validated by quantitative research. By conducting a larger scale survey, one could explore in how far the findings yielded by the focus groups correspond with the perceptions of the wider population.

PRACTICAL IMPLICATIONS

Despite the lack of generalizability, a couple of tentative conclusions for practitioners seem appropriate. In essence, the findings of this study show that CSR engagement is not all too important to consumers—especially in the IT sector, which was perceived by respondents to be inherently beneficial to society. Consequently, companies could choose to ignore CSR in their marketing communications, focusing instead on cultivating a positive corporate image. As this research suggests, a company's leadership (founders/CEOs) can play an important role in this, as their (mediated) personal convictions seemingly influence consumers' perception of company behavior in the absence of more direct information. If companies choose to promote their CSR activities to consumers, it would be advisable to present the outcomes as tangibly

as possible. Respondents clearly indicated that they were not interested in learning about intentions, policies, et cetera—they want to see evidence. Participants proposed the use of interactive tools that allow consumers to take a peek into production processes, for example. In many cases, this might not be feasible due to privacy and trade secrets. But it exemplifies that, wherever possible, companies should be showing concrete results.

CONCLUSION

It looks as if the quality of economic decisions is undergoing change: corporations seem increasingly concerned with the effects of their activity on people and the planet. The motives for this shift remain unclear. Are ethical values driving companies to contemplate the level of social injustice, or the generation of waste and pollution? Or is it merely an exercise of self-interest—managing the corporate reputation with an eye on even greater profits? It was not the objective of this thesis to make inferences about corporate motives; but from a consumer perspective, the latter explanation was clearly favored by the respondents interviewed for this study. However, this did not provoke outrage. To be frank—it hardly provoked any irritation at all. In fact, just as respondents suspected companies to promote CSR for instrumental reasons, they, too, cared for it almost exclusively at the level of appearances.

This thesis opened by introducing the idea that people's perception of economic activity is changing. The findings, however, do not confirm this. Listening to the respondents, I felt no 'societal backlash'. Nor was I under the impression that participants were demanding a better quality of life, measured in terms of the environment, culture, health, or general welfare. The 'good life' was still largely defined in terms of material goods—it appears that not even the 2008 economic crisis did anything to change that. This study saw no alternative social conceptions on the rise. In 2013, it seems that neoliberalism is still the way to go.

REFERENCES

Allen, F. (2005). Corporate governance in emerging economies. *Oxford Review of Economic Policy*, 21 (2), 164-177.

Apple. (2013). *Supplier Responsibility*. Retrieved from http://www.apple.com/supplierresponsibility/

Argenti, P. A. (2006). How technology has influenced the field of corporate communication. *Journal of Business and Technical Communication*, 20, 357-370.

Auger, P., Devinney, T. M., Louviere, J. J., & Burke, P. F. (2008). *Do social product features have value to consumers? International Journal of Research in Marketing*, 25 (3), 183-191.

Bartscht, M., & Merkx, N. (2011, December 12). *Interview: Jan Peter Balkenende* [Web log comment]. Retrieved from http://mbartscht.net/2011/interview-jan-peter-balkenende/

Bassen, A., Jastram, S., & Meyer, K. (2005). Corporate Social Responsibility: Eine Begriffserläuterung. *Zeitschrift für Wirtschafts-und Unternehmensethik*, 6 (2), 231-236.

Becker-Olsen, K. L., Cudmore, B. A., & Hill, R. P. (2006). The impact of perceived corporate social responsibility on consumer behavior. *Journal of Business Research*, 59(1), 46- 53.

Bertelsmann Stiftung (2006). *Die gesellschaftliche Verantwortung von Unternehmen. Detailauswertung. Dokumentation der Ergebnisse einer Unternehmensbefragung der Bertelsmann Stiftung.* Retrieved from http://www.bertelsmann-stiftung.de/cps/rde/xbcr/SID-0A000F14-AA72EB2F/bst/CSR_lay.pdf

Beuth, P. (2013, April 12). Anti-Awards für Google, Apple und den Rundfunkbeitrag. *Zeit Online*. Retrieved from http://www.zeit.de/digital/datenschutz/2013-04/big-brother-awards-2013-gewinner

Bourdieu, P. (1998) *Acts of Resistance: Against the Tyranny of the Market*. New York: The New Press.

Boulstridge, E., & Carrigan, M. (2000). Do consumers really care about corporate responsibility? Highlighting the attitude-behavior gap. *Journal of Communication Management*, 4 (4), 355 – 368.

Bowen, H.R. (1953). *Social Responsibilities of the Businessman*. New York: Harper.

Bryman, A. (2008). *Social research methods*. Oxford: Oxford University Press.

Burson-Marsteller. (2011). *European Trust & Purpose Survey 2011*. Brussels: Burson-Marsteller.

Calder, B. J. (1977). Focus groups and the nature of qualitative marketing research. *Journal of Marketing Research*, 353-364.

Capriotti, P., & Moreno, A. (2007). Corporate citizenship and public relations: The importance and interactivity of social responsibility issues on corporate websites. *Public Relations Review*, 33(1), 84-91.

Carroll, A.B. (1991). The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39-48.

Carroll, A.B. (1999). Corporate social responsibility: evolution of a definitional construct, *Business & Society*, 38 (3), 268-95.

Carroll, A.B. & Buchholtz, A.K. (2000). *Business and society: Ethics and stakeholder management*. Cincinnati: Thomson Learning.

Carroll, A.B. (2007). Corporate social responsibility. In W. Visser, D. Matten, M. Pohl & N. Tolhurst (Eds.), *The A to Z of corporate social responsibility: A complete reference guide to concepts, codes and organisations* (pp.122-131). London: Wiley.

Chandler, G. (2006). CSR – The way ahead or a cul de sac? In J. Hennigfeld, M. Pohl & N. Tolhurst (Eds.), *The ICCA handbook on corporate social responsibility* (pp.3-46). London: Wiley.

Chaudhri, V., & Wang, J. (2007). Communicating corporate social responsibility on the internet - a case study of the top 100 information technology companies in India. *Management Communication Quarterly*, 21(2), 232-247.

Christensen, L.J., Peirce, E., Hartman, L.P., Hoffman, W.M., & Carrier, J. (2007). Ethics, CSR, and sustainability education in the financial times top 50 global business schools: Baseline data and future research directions. *Journal of Business Ethics*, 73(4), 347-368.

Collis, J., & Hussey, R. (2003). *Business research: A practical guide for undergraduate and postgraduate students*. Basingstoke: Palgrave/Macmillan.

Cornelissen, J. (2004). *Corporate communications: Theory and practice.* London: Sage.

Coyle, D. (2011). *The economics of enough: How to run the economy as if the future matters*. Princeton: Princeton University Press.

Crane, A., Matten, D., & Moon, J. (2008). *Corporations and citizenship.* Oxford: Oxford University Press.

Curbach, J. (2009). *Die Corporate-Social-Responsibility-Bewegung.* Wiesbaden: Verlag für Sozialwissenschaften.

Du, S., Bhattacharya, C. B., & Sen, S. (2010). Maximizing business returns to corporate social responsibility (CSR): The role of CSR communication. *International Journal of Management Reviews*, 12(1), 8-19

Dunfee, T.W. (1997): Report on business ethics in North America. *Journal of Business Ethics,* 16 (14). 1589–1595.

Edelman. (2013). *Edelman Trust Barometer 2013 (Executive Summary)*. Retrieved from http://www.scribd.com/doc/121501475/Executive-Summary-2013-Edelman-Trust-Barometer

Ellen, P.S., Mohr, L.A., & Webb, D.J. (2000). Charitable Programs and the Retailer: Do They Mix? *Journal of Retailing*, 76, 393-406.

European Commission. (2001). *Green Paper: Promoting a European framework for Corporate Social Responsibility.* Brussels: European Commission.

Fair Labour Association. (2012, March 29). Foxconn investigation report. Retrieved from http://www.fairlabor.org/report/foxconn-investigation-report

FIAS & BSR. (2007). *Corporate Social Responsibility in China's Information and Communications Technology (ICT) Sector.* Retrieved from www.eicc.info/documents/CSRinChinasICTSectorEnglish.pdf

Foucault, M. (1991). Truth and Power. In P. Rabinow (ed.), *The Foucault Reader* (pp. 51-75). London: Penguin.

Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *The New York Times Magazine*. Retrieved from http://www.colorado.edu/studentgroups/libertarians/issues/friedman-soc-resp-business.html

Fuchs, C. (2008). The implications of new information and communication technologies for sustainability. *Environment, Development and Sustainability*, 10(3), 291-309.

Fuchs, C., Boersma, K., Albrechtslund, A., & Sandoval, M. (Eds.). 2011. *Internet and surveillance: The challenges of web 2.0 and social media.* New York: Routledge.

Gaines-Ross, L. (2008). *Corporate reputation: 12 steps to safeguarding and recovering reputation.* New Jersey: John Wiley & Sons.

Gardberg, N.A., & Fombrun, C.J. (2002). The global reputation quotient project, first steps towards a crossnationally valid measure of corporate reputation. *Corporate Reputation Review*, 4, 303–308.

Gardberg, N.A., Fombrun, C. J., & Barnett, M.L. (2006). Corporate citizenship: Creating intangible assets across institutional environments. *Academy of Management Review,* 31(2), 329–346.

Glaser, B.G., & Strauss, A.L. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Chicago: Aldine Publishing Company.

Google. (2013a). *About Google*. Retrieved from https://www.google.com/intl/en/about/

Google. (2013b). *What we believe*. Retrieved from https://www.google.com/intl/en/about/company/philosophy/

Google. (2013c). *Google Green*. Retrieved from http://www.google.com/green/

Greenwald, G., & MacAskill, E. (2013, June 7). NSA Prism program taps in to user data of Apple, Google and others. *The Guardian*.

Grunig, J. E., & Hunt, T. (1984). *Managing public relations*. New York: Holt, Rinehart and Winston.

Griffin, A. (2008). *New strategies of reputation management*. London: Kogan Page.

Harvey, D. (2000) *Spaces of Hope*. Berkeley: University of California Press.

Haufler, V. (2001). *A public role for the private sector. Industry self-regulation in a global economy*. Washington: Carnegie Endowment for International Peace.

Holloway, I. (1997). *Basic Concepts for Qualitative Research*. Oxford: Blackwell Science.

Hursh, D. (2001). Neoliberalism and the control of teachers, students, and learning: The rise of standards, standardization, and accountability. *Cultural Logic*, 4(1), 4-1.

Ivey, P. (2007). Greenwash. In W. Visser, D. Matten, M. Pohl & N. Tolhurst (Eds.), *The A to Z of corporate social responsibility: A complete reference guide to concepts, codes and organisations* (pp.122-131). London: Wiley.

Klein, P. (2011). *Where is Apple's social purpose?* [Web log comment]. Retrieved from http://www.forbes.com/sites/csr/2011/08/12/where-is-apples-social-purpose/

Kramer, W.J., Jenkins, B., & Katz, R.S. (2007). *The role of the information and communications technology sector in expanding economic opportunity.*

Lamsa, A.M., Vehkapera, M., Puttonen, T., & Pesonen, H.L. (2008). Effect of business education on women and men students' attitudes on corporate responsibility in society. *Journal of Business Ethics*, 82, 45-58.

Lyotard, J.F. (1993). *Political Writings*. University of Minnesota Press: Minnesota.

Maignan, I., & Ferrell, O.C. (2004). Corporate social responsibility and marketing: An integrative framework. *Journal of the Academy of Marketing Science*, 32(1), 3-19.

Margolis, J. D., & Walsh, J. P. (2001). *People and profits? The search for a link between acompany's social and financial performance.* Mahwah, NJ: Lawrence Erlbaum.

Marin, L., Ruiz, S., & Rubio, A. (2009). The role of identity salience in the effects of corporate social responsibility on consumer behavior. *Journal of Business Ethics*, 84(1), 65-78.

Matten, D. (2006). Why do companies engage in corporate social responsibility? Background, reasons and basic concepts. In J. Hennigfeld, M. Pohl & N. Tolhurst (Eds.), *The ICCA handbook on corporate social responsibility* (pp.3-46). London: Wiley.

McKinsey. (2012). *Defining and developing reputation*.

McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26(1), 117-127.

McWilliams, A., Siegel, S.D., & Wright, P.M. (2006). Corporate social responsibility: Strategic implications. *Journal of Management Studies*, 43 (1). 1–18.

Microsoft. (2013a). *About Microsoft*. Retrieved from http://www.microsoft.com/about/en/us/default.aspx

Microsoft. (2013b). *Corporate citizenship*. Retrieved from
http://www.microsoft.com/about/corporatecitizenship/en-us/default.aspx

Morgan, D.L. (1990). *Focus Groups as Qualitative Research*. Newbury Park: Sage Publications.

Morsing, M., Schultz, M., & Nielsen, K. U. (2008). The 'Catch 22'of communicating CSR: Findings from a Danish study. *Journal of Marketing Communications*, 14(2), 97-111.

Müller, A.M. (2009). *Die Dunkle Seite der CSR*. RESET. Retrieved from
http://reset.org/knowledge/greenwashing-%E2%80%93-die-dunkle-seite-der-csr

OECD. (2002). *The OECD definition of the ICT sector.* Retrieved from
http://www.oecd.org/sti/ieconomy/2771153.pdf

Osterhus, T. L. (1997). Pro-social consumer influence strategies: When and how do they work? *Journal of Marketing*, 61, 16.

Phillips, R. (2003). Stakeholder Legitimacy. *Business Ethics Quarterly*, 13(1), 25–41.

Podnar, K. (2008). Editorial: Communicating Corporate Social Responsibility. *Journal of Marketing Communications,* 14(2), 75-81.

Porter, M.E., & Kramer, M.R. (2006). Strategy & society: The link between competitiveadvantage and corporate social responsibility. *Harvard Business Review, December 2006*, 78-92

Reputation Institute. (2012). *2012 CSR RepTrak™ 100*.

Rifkin, J. (2011). *The third industrial revolution: How lateral power is transforming energy, the economy, and the world.* New York: Palgrave Macmillan.

Roberts, J. (2001). Corporate governance and the ethics of Narcissus. *Business Ethics Quarterly*, 11(1), 109-127.

Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, 225-243.

Skidelsky, R., & Skidelsky, E. (2012) *How much is enough?* New York: Other Press.

Smith, N. C. (2003). Corporate Social Responsibility: Whether or How. *California Management Review*, 45 (4), 52-76.

Smith, W., & Higgins, M. (2000). Cause-Related Marketing: Ethics and the Ecstatic. *Business and Society,* 39(3), 304-322.

Soule, S. A. (2009). *Contention and corporate social responsibility*. Cambridge: Cambridge University Press.

Teijlingen, E. R. (van), & Hundley, V. (2001). The importance of pilot studies. *Social Research Update, 35.* Retrieved from http://sru.soc.surrey.ac.uk/SRU35.html.

Threlfall, K. D. (1999). Using focus groups as a consumer research tool. *Journal of Marketing Practice: Applied Marketing Science*, 5(4), 102-105.

Utting, Peter (2005). Corporate responsibility and the movement of business. *Development in Practice* 15(3), 375–388.

Vergin, R. C., & Qoronfleh, M. W. (1998). Corporate reputation and the stock market. *Business Horizons*, 41 (1), 19–26.

Vogel, D. (2005). Is There a Market for Virtue? The Business Case for Corporate Social Responsibility. *California Management Review*, 47(4), 19–45.

Wagner, T., Lutz, R. J., & Weitz, B. A. (2009). Corporate hypocrisy: overcoming the threat of inconsistent corporate social responsibility perceptions. *Journal of Marketing*, 73, 77-91.

Weber Shandwick. (2006). *Safeguarding Reputation*.

Weybrecht, G. (2010). *The sustainable MBA: The manager's guide to green business*. Chichester: Wiley.

Weybrecht, G. (2012, March). *How to make anything more sustainable* [Video file]. Retrieved from http://tedxtalks.ted.com/video/TEDxWarwick-Giselle-Weybrecht.

Windsor, D. (2001). The future of corporate social responsibility. *The International Journal of Organizational Analysis*, 9 (3), 225–256.

Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review*, 16 (4), 691-718.

World Business Council for Sustainable Development (WBCSD). (1999). *Corporate Social Responsibility: Meeting Changing Expectations*. Geneva: WBCSD.

Yoon, Y., Gürhan-Canli, Z., & Schwarz, N. (2006). The effect of corporate social responsibility (CSR) activities on companies with bad reputations. *Journal of Consumer Psychology*, 16, 377-390.

Yoshitake, M. (2004). Research paradigm for dialogue among diversities: Refinement of methodological pluralism. *International & Intercultural Communication Annual*, 27, 16–42.

APPENDIX

FIGURE A1 Focus group discussion guide

Introduction

1.1. Introduce self

1.2. Ground rules:

      a. Free to participate or not participate at any time.

      b. One person talking at a time.

      c. Respect others' opinions.

1.3. Taping of the focus group

Warm-up

2.1. Top of mind recall: When you think of information technology (IT), which companies come to mind?

      a. Why these companies?

            i. Do you use any products made by these companies?

2.2. If you had to pick your favorite IT company, which one would it be?

      a. Please explain why.

2.3. What factors determine whether you buy/use an IT product?

Probing Questions

3.1 Awareness of corporate behavior

      a. Top of mind recall: What have you heard about these companies?

      b. Are you aware of any positive/negative behavior by these companies?

            i. Can you give concrete examples?

3.2. Interpretation of CSR

      c. Are you familiar with the concept of CSR?

            i. What does it mean to you?

      d. Which aspects of CSR are most important to you? (Choose from list)[13]

            i. In your opinion, which aspects would be most relevant to IT companies?

      e. Perception: In your opinion, which IT companies contribute to the welfare of society?

            i. How?

      f. Can you name an example of a CSR activity by an IT company?

            i. If applicable: How have you heard of this?

---

[13] See Figure A2 on the next page.

        ii. Do you actively seek information regarding CSR/corporate behavior?

3.3 Impact on Purchasing Behavior

    a. According to the Reputation Institute, Microsoft, Google, and Apple rank among the Top 5 most responsible companies worldwide. Any idea why?

        i. Does this influence your likelihood to purchase/use their products?

        ii. Explain why (not).

    b. (Present Big Brother Award) Google and Apple have also received the 2013 Big Brother Award, a negative prize for data abuse. Any idea why?

        i. Does this influence your likelihood to purchase/use their products?

        ii. Explain why (not).

    c. Present Scenarios.

        i. Would any of these reports impact your likelihood to purchase/use their products? (Explore differences between scenarios)

    d. Do you trust companies' CSR claims?

        i. If applicable: What can be done to address your concerns?

3.4 Do you perceive the IT industry as being different from other industries?

    a. In what way?

    b. What are the implications for CSR?

Clarification and conclusion

4.1 Looking back on the discussion, do you think that it is important for IT companies to engage in CSR activities?

4.2 Thank you for your time.

FIGURE A2 List of CSR aspects (Wang & Goodman, 2006)

- Workplace health and safety
- Consumer rights
- Environmental protection
- Energy conservation
- Disaster relief
- Helping elderly
- Helping youth and children
- Civil rights advocacy

- Community development
- Fighting poverty
- Arts and culture promotion
- Primary/secondary education support
- International relations engagement
- Higher education support
- Patriotism promotion

FOCUS GROUP 1

I: Alright… What we are going to talk about is—information technology. So the first thing I would like to ask you is—when you think of information technology, which companies come to your mind? Maybe each of you could note down two or three on the paper I gave you.

[P1 laughs. Looks puzzled.]

I: You don't know any?

P1: I know a lot I think. But I'm not sure if it's correct?

P2: ICT, is that what you mean?

[Laughter]

P3: Ja, ICT, girls. See, we are public policy students…

[Everybody is writing.]

P5 [looking at P6]: I think you are overthinking it a little…

[Laughter]

P6: Haha, yeah I want to give the 'right' answers.

P5: You want to get full points, eh?

P6: I want to get the highest grade today.

I: Ok, [P3] what did you write down?

P3: Nothing.

P1: Cisco.

P2: Cisco?

P1: [laughing, shaking her head] I don't know…

P4: Google.

I [to P2]: Do you have one?

P2: Yeah, Windows.

I: Windows?

P5: You mean Microsoft?

P2: Windows.

I: Microsoft.

P2: Yeah! Microsoft! [Laughter]

P5: I have Amazon.

P6: Google, Microsoft, and Apple.

P2: Oh yeah, Apple, of course.

I: Okay, so now we heard a few IT companies… Everybody knows the direction we are going into. Could you tell me which IT companies you think have the best reputation?

P1: You mean, which are most respected?

I: Yeah, more or less. Let's do a quick round…

P6: I have Oracle and Apple.

I: And why these two?

P6: Oracle because I know that a lot of people like it. I've done this survey about Oracle for GDCC[14], that's how I know. And Apple obviously. Customer satisfaction survey is nice, 95 percent are happy or so.

P5: I've got Linux. They make open source software and I think many people respect that and work with that. And I also think Google. Everybody uses Google search every day. And I don't want to choose Apple because I think it's too conventional.

I: But you think that in general it is a respected company?

P5: Mmm… I think it's overrated.

P2: Well, in that case I am very conventional. Apple. Yeah, very user-friendly. I have an iPad, iPhone… For me, I love it. Even though it's corny and probably a bit of mainstream.

---

[14] Local call center; popular student workplace.

P1: Ditto! I mean, I use all of their products. Except Apple TV. But I have everything else.

P3: Apple and Google. Well, Google… It's a verb. (Laughter). And Apple, yeah, the convenience and the design.

P4: I have Apple, Microsoft, Opera and Firefox. I chose Apple because it's modern, fancy, and innovative. Microsoft because it's kind of the traditional one and that's the one I use because I don't like Apple. I don't buy it just for fashion. And Opera and Firefox I think, they are like the innovative Internet browsers.

I: Okay, and have you guys heard anything about these companies in terms of corporate behavior?

P4, P6, P3: Yes…

P3: Apple sucks. I think. Well, I don't know the specifics; but I've read that because they are so popular they can do whatever they want.

I: What do you mean? Do what? How do they 'suck'?

P6: I know that they are producing in China… Foxconn… 100,000 workers live there, in dorms with ten beds each. They work 12-14 hours a day, seven days a week. The suicide rate is crazy. I think, in 2012, 30 people jumped off the building. The working conditions must be appalling.

P4: Yeah, high suicide rate… I heard about this as well.

P2: And where is this?

P6: Foxconn, in China.

P2: Oh yeah but they had a documentary on TV a few years ago. About Nokia.

P6: Yeah, same factory.

P2: Same factory?

P1: That's one depressing region.

P2: Yeah and I also heard about Apple that they are not so gentle to employees as for example…

P1: Microsoft?

P2: I don't know if Microsoft is.

I (at P1): So you mention Microsoft. What have you heard about them?

P2: Microsoft is a good one. No, Google is the good one. Microsoft is the one in the middle, and Apple is the bad one.

P4: Yeah, for me Microsoft is best, Google, Apple. That is my perception.

Me: So what have you heard about Microsoft?

P1: I know that the engineers there like it very much.

P6: I think that Bill Gates has a foundation with his wife, right? He donated a lot of money. I think Steve Jobs didn't do it.

P4: They support medical research. I think they want to cure AIDS, or cancer…

Me: And what about Google?

P2: I heard they have a good HR department. And that they are very… well, when you get into Google… we don't have *loopbaanontwikkeling* [career development] anymore. When you get into a company, you don't stay with them forever. You're in charge of your own career. You hop from one to the next. And if you become an employee of Google, once you become an employee you stay there. They are very good; they provide a lot of opportunities for you to develop yourself.

P6: What I heard is that Google was the 'Best Company to Work For' in 2010, or so; one of the top five at least.

P4: That is why they have so many applications, like a thousand per week or something.

I: Anything else?

P6: Google has many server farms; that is a negative thing. These server centers are huge and take a lot of energy. And, for instance, this thing called Google instant, when you type in a word and it gives you suggestions what happens next, is eating so much energy, I don't know how much, but like 500 employees work only on that feature. And they built this service in Texas because they have deserts where nobody lives.

P5: Aren't they moving to the Arctic?

P6: Well, I guess to places where energy is cheap because it uses so much energy, that's what I know.

P2: Energy as in man labor?

P6: No, electricity, as in cooling, water, cooling the servers with water et cetera.

P5: Yeah but if you think about other companies like Apple, other search providers, basically all the data centers use this stuff. Think about Amazon, how much they store; they have to keep it up. Google, Apple cloud et cetera, they all have it.

I: Ok, so I am wondering: all these things you brought up… how did you get that information? Where does it come from?

P5: Internet. [Affirming nods]

I: Internet, as in 'you look for it'? Or does it just pop up.

P3: No, it just pops up.

P1: Yeah, in the news. When I'm on BBC in the tech section or whatever.

P2: Well, when the European Commission was dealing with Microsoft they were quite a lot in the news due to… what was it? They wanted to acquire another company but their market share was too large. So Nelie Kroes [Dutch EU Commissioner], the one in charge, she put an end to it. I think I heard that on TV.

I: So TV and Internet news…

P6: And Facebook. Some people post something on Apple, for example. So I get some info in social networks.

I: Who is familiar with the concept of CSR?

[Mumbling]

I: Could you jot down on the paper what it means to you? In a few words. And not only what the acronym stands for but what it means to you personally? (Pause) Our top student is still writing [laughter]. [P6], what did you write down?

P6: I associate it with code of conduct, and what it means to me is respect for human rights, nature, and the well-being of society. And it also means being green.

P5: Well, I thought about doing business in a sustainable way. Make use of renewable energy, support the local communities, and also environmentally friendly behavior.

I: Who actually knows what the acronym stands for?

[Four people affirm]

P5: Corporate Social Responsibility.

P2: The first thing that pops up with me is solidarity. And CSR being a tool or political instrument. I believe that companies do not only want to be noble. They do not only want to help the environment, they also want to reach a broader public. So the underlying reason is economical.

P1: I had no clue. But now I do, they just said what it means, and I realize I just read like two articles on that stuff. How corporations are socially responsible. The basic idea is that they are not only focused on for-profit but do take into consideration their corporate social responsibility trying to help out, not necessarily the environment but they want to include the outcasts, so they take into consideration people who are disabled, for example. So they also have a social cause, whatever that may be, besides profit.

P2: Yeah, but they will not be socially responsible if there is no profit in it in the long term for them.

P1: No but nowadays even NGO's have a corporate mindset because they cannot help society if they do not take into account the business situation. In order to help the poor you have to make sure that you are not poor; so you have to make money.

P3: CSR… what popped up was… Well I see it more as awareness or consciousness of the corporate world on how they act and, to add on what [P2] said, I also believe that it is a way for them to improve their image.

P4: What I wrote down is CSR is corporate social responsibility; that is in the end companies engaging for social purposes. And I also wrote down, I mean I worked in a social entrepreneurship organization as a team leader. (Group giggles). And I approached many companies in their corporate social responsibility departments and my experience was

actually that these are pretty cool people; they are people who really see a purpose in that. On the other hand, of course, they have to make profit. Otherwise they cannot finance their activities. And what I also figured out during my work was that, of course, companies do that for their own purpose, for reputation, for political stuff; some companies use it for lobbying. But I also think: the good is done anyway. It doesn't matter why. If a foster home, or a forest, is sustained by the money of a company, it does not matter why the company is doing it—the good is done. The outcome counts.

I: Would you say that it is important for IT companies to contribute to society?

P2: They make a lot of profit, so why not share it? Yeah, we all use it. They have lots of users, an enormous database. And if we were a bit more socially responsible and we followed their actions then maybe we'd choose not to use it. But that is a bit far-fetched.

P5: But Apple actually does not support any charity organization. I know Steve Jobs actually was against any support for any NGO's or any charitable anything. He didn't believe in it. He said everybody has to make money for himself.

P6: He was a real capitalist. It does not mean that Apple did not donate money. But nobody knows.

P4: But it would actually make sense if they did. Because they can reach people with that.

P2: So that means it's not important at all. Because we still use their products. Nobody cares.

P1: Well in a way they already help society. I mean, think about it: they make our live easier. That's a contribution.

P2: Yeah but they haven't really done anything for a noble cause even though they have the resources.

I: If you turn your paper you find a list of CSR aspects. Could you indicate which two items in the list matter most to you personally, and also which item matters least?

P2: Patriotism promotion?

[Giggling]

I: Done?

P1: No.

[Laughter]

I: You are getting to know yourself now, aren't you?

P1: Oh, I know myself, that's no problem.

I: Of course, if you have something else in mind than what is on the list, you can always fill it in under 'other'. (Pause). So P4, what is your top priority?

P4: I have four… (Laughter) Well, let's say my top priority is helping youth and children. Then the environment, then fighting poverty, then civil rights.

I: What's least important?

P4: Patriotism.

P3: It's so obvious.

I: It is, isn't it? Maybe we should scrap it off the list.

P4: The next is arts and culture.

P3: Civil rights advocacy and education support. I just think education is necessary for development. I don't like patriotism, helping the community and helping the elderly. [Laughter.]

P1: I think workplace health and safety, that's most important. Second is helping youth and children. Third is arts and culture promotion. Lowest priority is community development.

P2: First of all, fighting poverty, second civil rights advocacy, and third environmental protection. Least one is community development.

P5: For me the first one is environmental protection because I think that they have the money to use renewable energy or solar; helping youth and children and high education support. I mean it's important to have educated people in the future. If I were an IT company, for me that would be important. The least important… I'm not sure. Arts and culture promotion? [Laugther]

P6: First one, environmental protection, second is workplace health and safety, and third is consumer rights. I think consumer rights might be most appropriate for IT company involvement because that is the area they are messing with most; my data, and the way they

act with my rights. I think it's not that regulated; they have a lot of freedom there. Least important is community development and fighting poverty. Not because it's not important but I believe that these are not tasks of companies but of the government.

[Writing down most important dimension for IT…]

P4: I think environmental protection and energy consumption. That's most applicable because they are wasting a lot of energy and maybe not do good for the environment.

P3: Same for me. They are using a lot of energy.

I: So, in your opinion, which IT companies actually do contribute to society?

P5: Microsoft. They donate the most amount of money in the world. I mean Bill Gates does. But most of his money comes from Microsoft, right?

P4: Yeah but it is also affiliates of Microsoft that are invested in social welfare.

P2: Yeah, he made his fortune through Microsoft. So what does it matter if he's still there or not. The money came from Microsoft one way or the other.

I: Before you mentioned Google as a 'good' company. How do they contribute?

P6: It's about what they do for you. They organize information. Think about a world without Google. For me that's hard. They make my life easier. They treat their employees well. I heard they have busses to pick up their employees every morning. They have fitness studios in the building…

P5: Yeah they also give out the Android operating system. That's good for Africa, now they can afford to buy phones—because they get much cheaper—because it's open source.

P2: Yeah, you know what they do in Somalia? They don't have land, they don't have food, they don't have water, but they have mobile phones. You know why? Because indeed it's cheap, and if someone's goat is missing he can call a neighbor, like 20 kilometers away; he doesn't have to walk all the way over and ask 'Is my goat over here?' I know this through a friend of mine who is from Somalia. He says telecommunications is their biggest industry.

P5: And what about open source providers… Those big corporations buy the software from them and they use it. So we don't have to pay for Facebook or YouTube, for example. I think that's good.

P4: And what I just came up with—SAP donates huge amounts to social welfare. I forgot that. SAP is like—in Germany at least—*the* social welfare company.

P6: Yeah, they donate to Hoffenheim [football club, *ed.*]

P4: No they donate huge amounts to charity for children, also in foreign countries.

I: Great, let's talk more about concrete examples. Do you know any concrete initiatives or any companies that stand for something? Someone mentioned the Bill and Melinda Gates Foundation…

P5: Look at Yahoo. The CEO is a woman. They talk a lot about women empowerment and how women have to be promoted within the company. I mean, that's quite important—I support that. [Laughter] Nevermind. You don't take it serious now, do you? I mean, why wasn't it on the list?

I: Well, it said 'other', you could have filled it in. [Laughter throughout]

[Inaudible]

I: And again—if I ask you how you learned of this…

P4: Well I basically live next to SAP. So…

P2: Your boyfriend does ICT as well, right?

P4: Yeah, my boyfriend works in IT. But only in a small company—like 50 employees. They can't do so much.

I: So it's about company size?

P4: Sure. You ask the wealthy man to give to the poor, not the poor man.

P5: Makes sense—bigger companies should do more. Their sheer size allows for additional budget that can be invested into that stuff.

I: Ok, new question: do you trust companies' CSR claims?

P2: No.

P3: No.

P4: No.

P1: I don't really think about it much.

P2: Well, you cannot even believe their finances. Why should we believe their CSR claims? I don't know…

P3: It has a lot to do with reputation. I think it's a cover up.

P4: What does trust mean? If they tell me that they do it? Or if I see that they do it, because then I can come back to my thing, 'the outcome counts'—I don't care if they do it for their own profit.

P1: But why would you believe? I mean why would it matter? What would be the problem in the end? I mean, okay, I don't believe. How can you assess whether they are responsible or not? They are just branding themselves.

P4: Do you mean with trust that I believe that they really do it, or do you mean that they mean it like that—like good intentions.

I: I mean do you trust that companies do as they say. For example, Google says they don't do evil…

P2: Oh my God… Well you know—the average person might believe them. But we are all university students. I think we're more critical. If you look at an average person they might believe them.

P6: For me it depends I would say. For example if Apple has this new sustainability report— they publish it every year, every company does it—if I read it, it sounds to me very vague. When companies present their own initiatives, it always sounds a bit marketing-like to me. I don't trust in that… But I trust, for example, if I see the outcomes. So if I see other sources saying the same thing. For instance, a company donates to a certain town where they [inaudible] and people say the same thing, then I trust it. But if I only have one source—only the company says it—then I don't trust it. I mean they are not objective. They have reasons to, you know—phrase it really nice and stuff. I need to hear it from third parties.

P2: You know, those so-called independent parties, they're also paid off by companies.

P6: Yeah…

P4: It's funny that you get the information that ICT is good via ICT. It's never neutral.

P5: Yeah, but these sustainability reports—who reads them, seriously? Has anyone ever read a sustainability report?

P6: I've tried. But it's like a book...

P5: Yeah, it's like they don't want you to read them.

[Inaudible]

P6: One more example. Facebook—they opened a new server plant, and the new one is based on solar energy. You can actually go on a website and see the temperature inside the building, you can see how much energy they save and stuff. And that's something that I mean. You actually *see* the outcome—then I trust it.

P2: Definitely. I'm thinking, you have these races—these race cars that are driven by solar energy…

P3: The Shell Eco Marathon? Did you see that in the gym? [Chuckles]

P2: No it's like the Dakar race but only electric cars can participate. Not even hybrids. You cannot use any fossil fuels at all. Is there any ICT company that sponsors that?

P4: Why should they? It's like a dentist selling [inaudible].

I: Ok let's talk about another interesting thing: according to the Reputation Institute, Google, Microsoft and Apple are all three among the top five most socially responsible companies in the word—in public perception.

P3: Apple??

P5: Why would people think that?

P1: Well we also have an opinion and we're not that informed either.

P4: People just think they know.

I: Yeah that's interesting—you say you're not that well informed but you have an opinion. So how does that materialize—where does it come from?

P1: Well it's based on assumption. Let's say, for example, for it me was—it's hard for me to believe that Apple is involved in this stuff because they're this fancy company that's just got everything right. You don't associate them with bad labor conditions. I was very surprised.

But I know I was confronted with it and I know better. Before I would have been one of the people who simply believed.

P4: I think people can identify—I mean feel a personal connection to Apple, Google, Microsoft, more than with Shell, for example. Because they use it so often. I use my phone often. I have a different relationship with it.

P5: Definitely. I think that people identify with Google and Apple more than with other companies. They use their products every day, they grow attached to them. I mean, my phone carries sentimental value… It's almost like an extension of myself. It has my pictures on it, conversations with friends…

[Inaudible]

P5: But it's natural that it's based on assumptions. I mean, how would you know? When you purchase a phone, you can't really look on the pack and say, 'Okay, there are some bad materials in here', or see how it was made… So we don't really pay attention to those details.

I: Okay so with food, is it important because you eat it and you bare the consequence? And with phones the potential damages are felt by someone else? You know what I mean.

P2: Yeah, definitely! That's a big difference. You are what you eat. But you're not what you use.

P4: Yeah I think people can comprehend it better with food than with their ICT devices.

P5: Sure. I care what's on the back of my food. I don't really care, what's on the back of my phone. I mean, if you eat something bad you get sick. But what happens to somebody in Zimbabwe; you could care less, right?

P3: Yes, it doesn't affect you…

P6: What I thought—Google and Microsoft they don't produce so much waste. I mean, that's what I think of them. They're software companies, and they maybe have a server farm but they're not really involved in environmental degradation when I think of it. And Apple, for instance, I know they recycle phones—at least that's what I heard. And if you buy an iPhone, on the back it says it's free of a number of chemicals and stuff.

P4: Do you really think people pay attention to that?

P6: Well, that's what they advertise. When you see the ads, people hugging each other with an iPhone in their hands, it's always really social. They just look like a nice company. So that shapes my perception as well.

P4: Yeah but do you trust what they say? And do you trust that people really pay attention to what they say on the backside of their package?

P6: Yeah but it can be unconscious. Advertisement can make an impression—*especially* because people don't focus on those facts. Only if you're really interested you will see that in China there are really bad stories. But that's something that doesn't come in the news.

P2: I have never paid attention to it. Because I don't have an allergy or something. You see—it's really about self-interest [chuckles].

I: So would a ranking like that of the Reputation Institute influence your purchase decision? Or the image you have of a company?

P2: No, unfortunately not.

P1: No.

P4: No.

P5: I think for most people it doesn't matter and actually I'm quite surprised about that. I mean if you would hear—remember the story about Nike: a few people were starving in the factories or something and everybody was talking about it. Sales dropped amazingly and then there are people killing themselves at Apple and you don't see that sort of outcome. I mean, why is there a different perception of IT companies and for a sportswear company?

P4: I think Nike just did it one too many times…

P6: Maybe the reputation is tied to success. Google and Apple are some of the biggest companies in the world. If you don't know about a company you just say—for instance, Apple, you don't know about it—'oh it's a really nice company, everyone has Apple', so it must be good. And you know what's interesting: people don't focus on the bad stuff. They don't want to know. I heard about some of that bad stuff. But I forgot it. You know, I use my iPhone, I love it, and so I don't care if Apple is doing bad things.

P2: I think Apple is over its peak, luckily.

I: That's interesting. So do you think that the success of Apple makes consumers more forgiving?

P2: You could maybe compare this to the United States of America. Over there they had a lawsuit, the United States government—so in the USA the government can track anybody using GPS. They're allowed to do that without a warrant. They do that. And we all know it.

I: Ok so how about this: while the Reputation Institute suggests positive commitment, Google and Apple have also received negative prizes—the Big Brother Award, which is an award given out to companies who violate privacy laws. For example, Apple reported to spy on its employees to an extent that is even illegal in Germany. And Google has been criticized for gathering user data.

P3: Yeah I know that. When I shop online, then I always see—on Facebook I see advertisements with exactly…

P2: The same shoes you just looked at! [Laughter] I know. I have the same.

P6: Yeah, me too.

P1: In the US it got to a point where if you get TV and Internet from the same provider even the commercials on television are based on what your preferences are. I really don't like that.

P6: I heard that flight tickets are more expensive when you book them on a Mac, because companies assume you have more money when you're using Apple. Amazon is doing the same thing, I believe; adjusting prices depending on how many times you look at an item. It's ridiculous. They use cookies. That's why there is this new law that you have to accept the cookies when you visit a website. They ask every time now.

P2: Yeah, I have that with flight prices all the time. I don't like it. I don't like IT either, I'm afraid of those IT tigers…

P1: You know I actually got my identity stolen before. Someone stole my credit card information and they thought I was in Vegas and I went on a shopping spree…

P2: You really had this? That's f----d up. Really?

P4: I have a fake identity on the Internet. I have a fake email address with a fake name, fake data, and with that I log in everywhere.

P2: But are they also allowed to use your camera and stuff? That's what I'm always afraid of—that I'm being watched through my webcam. I put a sticker on my webcam.

P6: That's what I heard that many times already.

P1: It crossed my mind too.

P2: I have a black sticker in front of my webcam. [Laughter]

I: Who here has a free email account?

P5: I do.

P2: Yeah, we all do. [Affirmative nods]

I: And do you know that some of those companies scan your email?

P2: Yeah. But can you stop them from doing that? You can't. Because for example if all of us users would stand up and say we're not doing this anymore—we're not tolerating this, then eventually they'd have to stop. But all of us I believe—we believe that we cannot stop them. That they will keep on doing whatever they're doing, collecting data, with or without our permission.

P1: Well probably—I think the technology went ahead of the regulations so much.

P2: They're a lot of actors and interests involved as well. Because Google sells they're data to all the other companies—that's how they make money.

P1: Yeah and I think—the drawbacks of the technology we're not aware of. We're still behind.

P2: Yeah well, and in the European Union we're sort of ahead of the US. We're trying to—I believe that we're trying to restrict them a little bit. But I believe that—Í think we all know that—in European Commission there's a lot of lobbying going on. Government should do it: they should regulate. It's their task to protect the people. But we have this liberalism all throughout Europe and the US. Politicians follow the corporate rules. And they're not interested in restricting big companies. It ain't gonna happen. That's what it's all about.

P3: But these two laws, ACTA and SOPA, they did not pass. They did not get through—neither in Europe nor in the US.

P6: But the thing is—these regulations—we agree on it. It's not like companies are doing anything illegal. They ask you. You signed an agreement. You want to use their free service; you have to give up your data, that's how they make money.

P3: But I also think that people do it because they think their information is not crucial. I mean—I actually don't care if Google knows that I prefer red shoes over white shoes.

P6: Yeah. And we also get less sensitive over time.

I: Okay so who here actually reads the terms and conditions? Anybody?

P3: I do—sometimes. I studied law, that's why.

P6: Yeah I do as well. I skim them. But I don't read everything. Maybe certain parts…

P4: Only when I shop. So I don't have to pay for something. [Chuckles]

P2: I never do it.

P5: Me neither.

P3: Not surprising. I once read that terms and conditions are the least read information in the world.

P1: Yeah and even if you do read them—you're still inclined to accept because what choice do you have?

P2: Exactly!

P6: Yes.

P2: Can you stop them from scanning your mail? You can't. So what's my choice? Not having an email account? I have to agree their terms, one way or the other.

P3: But it also depends on what I want to sign up for. If I have to give all my data to an online shop, I might choose not to and simply go and buy at another shop. But for many services it's not so easy. I did not come across that yet though.

I: Say that factory workers died in a manufacturing plant and you somehow learned about it. You mentioned Foxconn… Would that affect you?

P2: Well, when I saw that documentary on Nokia I thought 'Wow, that's f----d up'. And after I saw that I wasn't really interested in Nokia. But then again, Nokia was already over its peak at the time. But after that my dad—he's from the older generation, you know, 'Nokia, Nokia'—he asked me, 'why don't you try a Nokia'? I was like 'no'. But I don't know whether it's because of the documentary—maybe unconsciously. But it stayed in the back of my mind.

P4: Yeah but are the companies aware from the beginning of the conditions you think? I mean they contract out the work…

P3: How could you totally not now what the conditions are?

P2: You know what Nokia said when they leaked the terrible working conditions at their factories? They said that whenever our people went over there to check, they were hiding that stuff. I mean, they said the same about the concentration camps in Germany. You don't outsource to Bangladesh not knowing what the conditions are over there.

P5: Yeah they claim to supervise that stuff. And when they ask the Chinese they just say 'yes, yes, yes, yes'.

I: Okay but *you* do know. So does it affect you?

P6: I own a lot of Apple products. Is it in the back of my mind? The thing is—what kind of choice do you have? Don't buy it? What is going to happen?

P4: They lose jobs. It's their income, seriously. The people working in those factories are giving their families food. And if we decide not to buy anymore, what is going to happen? Those people just lose their jobs.

P2: That's true. I thought of that as well. Centuries ago we didn't have employee rights either. But we're not in the Middle Ages anymore. These companies should know better. And they do have the money to pay a little bit more attention to civil rights. That's the difference. I mean that building that collapsed in Bangladesh—if they had paid only a little more attention to [inaudible] that wouldn't have happened.

I: Okay so you as the consumer do you take responsibility and say 'I'm going to switch to a different product'?

P4: No, uhm, well. It's a money thing. Most of the times those [sustainable] products are more expensive, and as a student I don't have the money to buy them.

P3: Yeah. That is definitely true. That's the flipside.

P1: I would not.

P5: Yeah and sometimes there are no alternative products.

P2: What about Samsung, they make nice phones too. You don't have to buy Apple!

P6: Yeah but Apple is so big; they're selling 40 million iPhones per quarter. If I don't buy one, what's the difference? It's just me, there's no mass movement. If my friends didn't buy it, maybe I wouldn't either. The impact we have as an individual on these big IT companies is too little. I think they are just too powerful.

P5: Yeah who cares what we think?

I: Is that specific to IT companies?

P6: Yeah I mean—I don't know—I don't really care about petrol for example. I just get my gas—at Shell, BP, whatever, doesn't matter. We're not really involved with them. I buy their gasoline, that's it. So maybe I pay more attention to IT. It's a bit more involvement as an individual.

I: So when the product involvement is higher, are you less likely to consider tradeoffs? Does CSR become less important?

P6: Well it's not like CSR is less important. But I care less because I'm more dependent on them. Maybe I care less about what Apple is doing because I like them.

P2: I think it's a very subjective thing. For example, you mentioned Steve Jobs. I don't have very strong principles against using these not socially responsible products. Some people do. And if there was a mass movement, people saying 'we're not buying that product', maybe that would influence me too.

I: Aha. So who influences you?

P2: The mass.

I: So if your friends say they are not going to use this product…

P2: Not only friends but a bigger movement—maybe a Facebook group [laughter].

P5: Yeah a cool example, I remember—a year ago Nestle had a problem with their baby food. And mothers stopped buying this stuff in Europe. They had huge losses. Eventually they stopped producing in China. So it does have an impact. One person started this and many people followed. But yeah, babies were dying. Mothers care about their babies…

P3: Wasn't it a Chinese brand and now they stopped buying it?

P5: I'm not sure exactly but it was a huge thing and people did something.

P3: Yeah, babies were dying. But okay, my phone—I don't know.

P4: Sometimes dies [laughter].

P2: Yeah and now we are talking about China—the emerging world. Think of emerging markets. Billions of Chinese are entering the consumer market. If we stop buying, in China they want these products. Demand just shifts to those places. So you have that problem too.

P6: Yeah well to give you another recent example: Apple has this one year warranty rule on all their products, right. But in China people complained, saying it was too short… a huge mass movement. Apple now gives two years warranty in China, only in China. The rest of the world still gets one year. China is like the biggest market for Apple.

P3: Yeah but someone has to start. And also those people fought for something that benefitted them. I think motivation is different than when it's for the benefit of somebody else, right?

I: Aha, so there is a difference between *my* warranty and the welfare of *those* factory workers?

P1: Yeah.

P3: And also many of those factories are in China. They are closer to it mentally. That might also play a role.

I: I sense that, as consumers, we don't really take a lot of responsibility. But then with who does the responsibility lie?

P3: Government should do more. They have a responsibility to care for their citizens.

P2: Yeah but when have they ever? Like I said—the World Bank and the IMF, they make the rules. And these rules are not for restricting companies but for empowering them even more.

P5: Yeah also an example: The European Commission tried to penalize Microsoft because when you installed Windows you had no choice what browser to use. And that's against the law. So they warned them in 2003, and fined them ten years later. For, I think, 200 million. Microsoft makes 200 million in two weeks!

I: Okay, we're almost done. One last question: say a company does something positive. You mentioned Facebook's data centers running on solar energy, for example. And you also said that environmental protection is important. So all things being equal, does that impact you?

P3: Well, that's good. But it's not that I 'Facebook' more then.

P1: Well I think it's better.

P3: But do you feel bad now?

P1: No I don't feel bad. But I could feel better too.

I: Okay but to recapitulate: you guys give me the impression that you think you don't have a choice because products are so specific, there's just no alternative. Like—basically—Google has a monopoly on search, Apple has a monopoly on hip phones, and nothing will make you switch—at least nothing related to CSR. Is that right?

P2: Yeah, pretty much.

P4: You might feel a little bit better. But it still remains the same old game—these big corporations—you think you have a choice but you don't. 'Cause they are so big, and you don't even realize it. They are in control and you cannot do anything about it.

P6: Yeah, they are so powerful nowadays that they become arrogant. They think they can do anything. And they always react—they never act, they *react*. Unless people really start to boycott them, nothing will happen.

P3: It's also an awareness thing—that you don't really know. I mean, we all had problems with naming something.

P1: I think the average consumer is not really aware of the implications… So CSR must be promoted more to have an impact.

P5: Yeah but you also said you would probably not believe if Google said, 'we are so good'.

P1: Yeah but then I will know about it though. And I can investigate more what's happening—because up until now I wasn't even aware of the topic at all. Just the idea about this CS… whatever it's called…

P2: CSR!

[Laughter]

I: Okay guys, thank you.

Focus Group 2

I: The first prize question, shall I tell you what we are going to talk about, no, you are going to realize that anyway along the process … when you think of information technology, which companies come to mind? And you can maybe write down two or three. Be creative …

[One person asks what information technology entails, how many companies to write down etc.]

I: Now, has anybody managed to write down any company names?

P1: Cisco, Apple, IBM and Google.

I: You know what is so funny about this, I am going to share this with you now, Cisco is the company that also came up first the last time, during the first focus group and everybody was like "what the hell is Cisco?"

P2: I have written it down as well…

P6: Oh really—Cisco is not like…

P1: It's a huge company man!

P5: I thought Cisco was from the "Thong Song"? [Laughter]

P6: Yeah—that's a good alternative.

I: So P3 what did you write down?

P3: Google, Apple, Cisco

I: [P2]?

P2: IBM, Microsoft, Lenovo, Google, Apple, HP, Cisco

I: Wow, let me just ask you which company name came up first …

P2: IBM, I don't know why

P1: Cisco

P3: Google

P4: Google

I: Google, alright … So, how come? How comes Cisco? (05:56..?) I am sure you gave it away already, but is that the reason, because you are primed by (05:59 …?) about the school or something?

P1: No no, not specifically, I mean, yeah in some cases, but also (06:06…?) like everything Bulgarian, so I searched their website there to see what they offered. Last time I have been to a certain conference there, almost seven (<-?) times Cisco because they run an academy in Bulgaria. I have seen their company a lot of times, and I searched them sometimes, that is why…

I: Okay, what about you, [P3]? Why did you put down Google?

P3: Because it is the first thing that came to my mind…

I: Hm… any thoughts on why that may be?

P3: Because we use it on our daily basis?

I: Okay, and (uhm)..

P2: I think I was primed, because my laptop is a Lenovo and yesterday there was a discussion if it belongs to IBM or not…

I: Aha okay …

P2: So actually that was ... yeah … I can sort of trace back the context

I: Alright, and for the rest?

P5: Yeah ... well Google because when I think of information I think about Google pretty much ...

I: Why is that?

P4: Because when I am trying to find information I look for it online and when I'm online I use Google, always.

P1: Use Bing man!

P5: No shit man, that does not work.

P1: Bing does not work?

P5: No.

I: Good. So I am wondering have you heard anything about these companies in terms of corporate behavior? Any company that was mentioned, positive, negative.

P1: Well, for Cisco I know they offer a lot of opportunities to companies they work with, they offer certificates to like, because you remember the case right, they train specialists there from other companies and then they give them certificates. So basically, they are helping people develop their careers and also I have the performance of other companies, always this comes with a price, but still they do it … and on the other side they produce all the technical stuff. That is how I know about their behavior, they're really in close corporation with Windows.

I: Alright. So you know something positive.

P1: Yeah

I: That is nice. What about you guys? Do you know anything about Google?

P6: Yeah, Google has a special division that only works for developing new products and their only job is to brainstorm all day long, you know. And they also employed the policy of … I am not sure how it is called but basically every developer over there has and not only has but is obliged to spend 30 % of their work time on something of their own, so this is like, you know promoting innovation and creativity and therefore it is really a informal work environment. So everybody is chilled.

P3: Uhmm, I did know about that one. They've been dedicated to (uhm) a certain amount; I don't know how much it was. I know they get direct news from advertising, at least some, or actually [inaudible]

P1: About Google, I think everybody knows about their offices, and their culture towards employees.   They are creating an environment much like your living room, where you can work and feel good. They have a masseuse, they have game rooms, they have snack corners… But the thing is that everybody says: ''Yeah, it is so cool!'' but usually you don't get enough time to use everything what is in your office.

P2: Did you work there yourself?

P1: No, I wish. I have been to their office in New York. And to an outsider it is like: 'Wahoo!'

P5: You should go to the Amsterdam office you would not have the same experience. It's pretty pathetic, but (uhm) yeah… What about IBM?

P2: I really don't know anything, sorry …

I: And do you know anything about any other company you wrote down? Tell me everything what comes to mind in terms of corporate behavior …

P4: I know also a…

P2: No go on, I don't have anything—I have some gossip about innovation.

P4: I know something about Samsung. Samsung is the opposite of Google when it comes to corporate culture. They are really strict, formal and basically all of their high managers are from the same family. They don't employ outsiders for the top positions. They only keep the business in the families.

I: Okay …

P4: So that is really weird, but I guess that is the Korean way.

I: Alright, I am wondering how have you come to know this—where did you heard this thing?

P4: I have read it on an article online.

I: Alright, and what about you guys? The stuff that you share—how do you know that?

P1: I have told of Cisco we had a case.

I: Yeah, but what about Google, you share some rumors from your personal visit …

P1: Yeah … Well … You know it is not like the employees said that this was [inaudible] but the guys that were with me, we talked like: 'Ahh, this is so awesome!' and there were some guys in the IT industry and they all like it. I mean they were all coming back in Bulgaria too. They knew it. They were all like 'yeah' but they don't get enough time to … you really feel comfortable here … it's still work.

I: Okay, alright. (uhm) So are you guys familiar with the concept of CSR?

P1 : Nooo! There was more!

I: You might not be. But obviously you are. So what does it mean?

P2: Corporate social responsibility.

I: Ten points! But what does it mean to you? Maybe you can write down a few words on a paper like what it means to you personally.

P2 (interrupting): Ahh, you are so mean!

I: I mean not just the definition … so what is that …

[A moment of silence, everybody is writing down something, P2 was laughing]

I: … Alright, so (uhm) P2 what do you got? What is so funny?

P2: No, no … I was just laughing at myself, (14:29…?) being socially responsible…

I: Ok, what do you have?

P2: I would define it as being sustainable with (14:39…?) environment and society of all.

I: Alright. What does that mean?

P2: (uhm) Taking into account the long term consequences of business activity (uhm) and basically … well … being friends with everyone, in a certain sense.
I: Aha, alright.
P4: (uhm) To give back to society in order to take from it.

I: Alright. [P1]?

1: I wrote down 'dust in the eyes', you know like … you know what I mean … and also improving image. I am actually quite negative towards CSR and I mean like .. they are really (uhm) CSR in terms like (…?) we care for everything, but CSR should not be really like an advertisement for your company or something you know. You just do it and people know it. They don't have to really look who organize this big re-event. Shell is responsible… shell is (..?)

I: Ok. But how do you know if nobody is advertising it?

P5: No, it is like embedded in the corporate the image right? For example their arguments like picturing, no specific brand comes to mind right now, but you know any … obviously they do some harm to the environment, they waste resources and stuff and still they try to minimize their losses, you know it is like embedded in the whole image, for me it is not the event itself,

it is the activity of the whole company, that is where CSR should lie. Not in as a separate event, but in the whole package.

I: Ok, but let's say that your activities themselves are sustainable, shouldn't you advertise that at least?

P5: I mean, ok, but now it is like … you know ... advertise for the sake of the CSR. Okay let's say our product is good, it is green and stuff, but for example, like I said, why organize an event.

I: So CSR for you is something that is done extra to the usual activity of the company or?

P5: No, no, no. It should be incorporated in every activity, not something separate, you know.

I: Ok

P1: Like every activity of the company should be done with the company saying to be green and socially responsible, every activity should be done having CRS in mind.

P3: I wrote down: CSR is a way from companies to pretend that they are responsible, but actually they are doing this personal game.

I: Well, you are also quite negative. So we have two quite negative … well actually three, (…?) also said.

P?: No no …

I: Okay. So does anybody actually believe in CSR?

P2: They will kill me if I say 'yes'.

[Everybody is laughing]

P2: Believing is a wide meaning.

P6: What do you mean?

I: I don't know I just try to [inaudible]

I: Ah, that is an interesting question. Do you actually trust company claims?

P3: Depends of the company obviously…

P4: No, I don't.

I: No, no?

P1: No, depends of the company, definitely.

P3: Yeah, in general. I mean.

P1 and P3: Yeah!

P2: I would say it depends of the industry as well. (..?)

I: Okay, so we're talking about IT. How about that?

P2: I guess I would. I am just a very shallow user I guess. Yeah … I don't dig in much deeper to work out what the company policies are or something. You know, you look at the price, you look at the value for money and that is (18:44…?)

I: Alright. So you guys—do you ever *actively* seek out like CSR information?

P3: No

P4: No

I: P1?

P1: IT? I mean, again, it depends on the policy stuff.

I: Ok, (19:02…?), IT?

P1: No, for everything?

I: No. Alright. So (uhm) let's think of dimensions of CSR. Could you note down which of these you find most important personally?

[Writing]

P2: Is this focus group sponsored by any of the IT companies?

I: Of course, you can win an Ipad, I work very closely with … the funny thing is that none of you actually mentioned Apple.

P3: We did.

I: Yeah, but not really as the first, but we can talk about Apple, I mean it's lovely of course. We talked about Apple quite a lot in the first, the last focus group, it was pretty hip. So if you know anything about Apple, by all means throw it in.

P2: It's a fruit.

P3: Can I just pick one [referring to the list of dimensions]? I only have energy conservation.

I: That's the only thing?

P3: Well, yeah … but I was still thinking you know.

I: Well, maybe P1 can help you. But it's good I mean just give me a top priority. Just write it down on your paper.

P4: You know CSR for IT is tricky…

I: You can also indicate which one most dear to you in general—it is also interesting to see why there is a difference.

P4: Because, you know, IT isn't actually a sector that takes a lot from society—in terms of resources.

I: Alright, that's a good point. We'll get back at that.

P4: I got a quite from an American chemicals company by the way, they do a lot of CSR, because they fuck the shit out of everybody you know. They produce more than a dozen types of chemicals that can be transformed into anything, from this PVC door to your pants. So, yeah they make that stuff, and have a lot of CSR activities, but for IT I don't see the reason to invest in CSR, except for marketing reasons.

I: Ok, any thoughts on that? I want to discuss this anyway so we can jump right into it. So, let's talk about it now.

P1: It depends, the IT industry, except for what I actually wrote down … it depends on which type of IT, software, hardware, you know, because the software companies they don't create waste disposal in terms of their product. Obviously they recycle the shit they throw out of their office and stuff and that's good, but in terms of product.

I: Ok, so you are talking about energy, so what about server farms? That's a lot of energy.

P3: I wrote down Google, you know, because that's the first that came to mind. So I have related that one to energy because of the server farms.

I: Ok, so, but do you agree with P4 that they take out less, you know that they don't have to engage in CSR because they take out less from the environment. P2 what do you think?

P2: I possibly agree but I was actually, if to consider consumer rights as part of the CSR, then this is the top priority for IT industry. I wouldn't even consider that as part of CSR, let's say it's just a necessity. I don't know, when it comes to data security …

I: Alright, ok, good, hold on, so I mean let's, let me just get back to P4's statement. So he is saying that CSR is less important for IT companies than for other sectors.

P4: Yeah pretty much. CSR is supposed to give back to society. To diminish the negative impact according to the business model and I don't see how the IT sector harms society or the environment. I know they produce chips and other technical stuff, so they use chemicals and residues and stuff like that. But, usually that's outsourced and the IT companies themselves they don't actually have any influence on that anyway so I don't think you can promote CSR if you don't make chips and cables and shit.

P3: But you can enforce it throughout the supply chain right?

P4: I don't know man.

P3: I once did a case, with, I forgot the company name, it had to do with coffee and they wanted to be more socially responsible and they enforced the supply chain the coffee had to be apart from … (?)

P4: Yeah, I mean, if they could do that for IT.

P5: Yeah but if you think about the supply chain, I mean now we have only been talking about energy conservation, right, but think about for example what happens in Apple's supply chain. Have you heard of Foxconn—people jumping of the roof and s--- because of the labor conditions being so terrible.

P2: In Apple?

P5: No, one of the suppliers.

I: Brilliant, I was waiting for this… So some of you have heard of it. But you haven't, [P2].

P2: No.

P5: So basically what happened, in 2012 I think 30+ people jumped of the roof killing because the f----g labor conditions are so terrible.

P2: Which country is that?

P6: China, right?

P4: Yeah, that's a good point. I think most large corporate structures take advantage of low labor costs in developing countries. And then they have this huge added value that comes out of nowhere. Their profits are sky high but they basically screw up the prosperity of entire nations.

I: Alright.

P1: Can you really make use of, force or pressure their suppliers to improve the working conditions? Because, I mean what can they say, this iPhone was made without Chinese suicides? [Laughter] I mean how can they actually extract value from this, obviously their conscious probably will be, they won't feel guilt of something, not that they do right now, but still how can they really extract value from this?

P6: Ok, that already presupposes that the negative news of those people killing themselves has no impact. Because obviously one of the benefits would be, if nobody kills themselves, none of that bad shit would be in the press, and you wouldn't hear about it.

P1: But what has Apple to do with the fact that this guy that owns this plant offers this … Ok, for example, they can say we won't contract you, you are treating your employees bad. But, for example, should they like inspect the whole work process before they contract somebody? I mean they can tear up the contract now, times up, but in the beginning how can they know.

P4: I think it works the other way around, they won't say I won't contract you if your people don't work in good conditions. I think what they do is, I won't contract you if you don't give me that price, so they actually cause all the bad conditions, because they want the cheapest price.

P1: Like everybody, the guy can just say sorry.

P4: Yeah, but then he has to shut down the plant.

P1: Yeah, but I don't know how Apple can know that, because we are talking about Apple right now.

P5: Apple knows that because it's not the first time that it happened, you know. So Apple definitely knows that just like all the people who manufacture clothes in Bangladesh know how fucked up …

P4: Just as in Bulgaria.

P5: Nearly as many people died there as during 9/11, but they do not invade America you know …

P1: No, I am not saying it's normal but I really don't see how you can blame it on Apple. Yeah, they're the big player in the supply chain, so they can make rules there, but what company doesn't do that, I mean we'll give away money so people don't kill themselves.

I: Ok, so let's assume that it wasn't the supplier—that it was on an Apple plant that this happened.

P1: Ok, so they have more or less direct control right?

I: Would that impact your purchase decision at all?

P1: I don't like Apple anyhow.

I: Ok, well let's assume it is Samsung. What do you have? Nokia? Windows?

P1: Well, it depends.

I: How many people need to die?

P1: The thing is, if I knew that they had good working conditions, I'll be like, yeah cool stuff, but I don't mean to sound like without any feelings or something but I need the product, so if the product works for me, that's cool. It doesn't really impact me, I don't know why …

I: That's fine, I want an honest answer. So what about you guys? Does this affect your purchase decision?

P2: I would like to believe it would, but, yeah … no. The thing is purchase decisions are so complex. I mean we study marketing, we all know that a big deal of discount might shut off any kind of thinking.

I: I know, I am not asking for a black and white answer though, I mean what are the nuances? Does it affect you at all?

P2: Well it would definitely affect my image of a company … I would be less likely to recommend it to others. Well that's the thing you know I have to assume that if I got to know about it that it was a big deep s---, because you know I'm not that much into … well I mean you know, it would have to be a big scandal for me, for the news to reach me, so then assuming it's a big scandal, assuming that enough people died. Yeah, it would affect the image of the company I have. I would really like to believe it would affect my purchase decision. I am against Samsung, but that has nothing to do with what they corporately do, I just have this perception of poor quality that I can't get over with, and it's just like my dad and my brother keep saying "oh this Samsung it's just so great" and I just can't, but again I guess it depends on what affects you.

I: Alright. Ok, [P4]?

P4: If you ask me now, I'd say that a tragic event would definitely impact my decision. But when I visualize myself, the last time I stood in a shop about to buy something, I never think about that stuff. All the things that I consider in a shop are price, quality, and the competitors on the shelf. So in reality I don't think it can impact me. Maybe I wouldn't recommend it to my friends as [P2] said. But I might buy it myself (laughter).

P1: You bare the guilt yourself.

P4: I know it's so weird but …

I: But why, both of you are saying you wouldn't recommend it, but you would use it yourself.

P2: I meant you buy it and then you're not very satisfied with it. In that sense, if you know they are doing bad things.

P4: If I want a budget smartphone and I buy a cheap one, but I don't the people who worked in the factory are mistreated, I would still buy it because I am looking for a budget phone you know. But then I wouldn't recommend it to anybody even if it's good.

P6: Funny fact, I just read today in a German newspaper, the headline was "our stinginess kills" basically, directly related obviously to what happened in Bangladesh. Because we're so cheap, more than thousands of people have to die, you know. It's really sad actually.

I: Let's see what else I want to throw at you. Ok, well fun fact, according to the reputation institute Microsoft, Google and Apple rank among the top five most socially responsible companies in the world—coincidentally three well known IT companies. What do you think about this, why could that be so?

P2: I guess the size allows additional budget to be invested and then needing good social face because everyone knows how Shell was f----d up, so I think at least after Shell everyone is scared and really try to make sure they can cover up their asses, at least a bit.

P4: What happened with Shell by the way?

P2: What? The oil spit, but that was like …

I: Well Shell wants to drill in the Arctic and kill all the polar bears. But, ok, can you actually name a concrete example of CSR activity by company, just anything?

P1: Let me think … (long silence)

P4: Why is Microsoft actually on the list? What do they do in?

P3: But what does Apple do? Google does the green server farms.

I: Yeah, what is that?

P3: They try to build energy efficient data centers. They save like 30% or something.

P4: Which is a lot from the amount they consume!

I: Ok.

P3: At least I heard about those initiatives I don't know if they realized it.

I: Ok, so what do they do? Nobody knows anything?

P1: For example, was it called DMS—the big Dutch company, DMS?

P5: Is it like chemicals? DSM?

P1: Well I remember there was a conference or something at Beurs and they said like they embraced CSR and shit and they, much like mine perception, they embedded it in their whole activity, so now they're considering themselves like super green you know.

I: Ok but what about concrete examples?

P1: Well I don't remember completely but it think they were a chemical company before and they also work in the food sector, they are starting green initiatives like improving food distribution across the world and stuff, because they are producing I don't know I guess pesticides and shit … they can feed the poor right.

I: Ok, but what about IT companies? So far …

P6: I don't know anything, what came to me is L'Oreal's CSR.

P2: What do they do?

P6: They have a specific name, something like employee day or work day, I don't know, but basically you have one day of the year when the whole corporate structure, the labor force, is targeting an orphanage in a near place. They go there, they help them out, they make donations, they talk to children, they do presentations, they organize games, they give away tons of free stuff. And especially in Eastern Asia and the regions that don't have clean water, they explain about disease and how important it is to keep clean, wash your hands and face and stuff. So they kind of contribute.

P5: But also for Google, you know the way they treat their employees man.

I: Ok, but is this ranking in any way justified?

P1: No!

P6: No!

P5: No!

I: Alright, fair enough. And would it influence your purchasing decision?

P1: But what are the other two companies in the top five?

I: I don't know, I could pull it up now, but I didn't write it down to be honest.

P1: Ok.

I: Ok, well, now, that's the funny thing, some conflicting evidence right, there is a so called Big Brother Award which is given out to companies who endanger our data privacy basically.

P6: Like an anti-award?

I: Exactly, like an anti-award. And Google and Apple have miraculously received that award this year. Now how does that fit together? Google is collecting huge amounts of personal data and Apple is filming its employees. That's for example illegal in Germany, you cannot film your employees in the way that they do.

P3: It's not allowed, but they still do it?

I: Yes. I don't know if they still do it now, but at least they came out with what they did. Anyway, the point is, the positive award doesn't influence you, but what about this one?

P5: I knew about the Google stuff, but the Apple stuff is not a problem for me.

I: Ok, not a problem. So say that company XYZ with whom you have an email account, could be Google right, scans all your mails, you don't have a problem with that?

P5: No?

P3: Wait, I do!

I: Do you have a Gmail account?

P3: Yeah, I do.

I: Ok, can you explain?

P3: Because I think they have a … you were asking, if any company does it, if I would mind, right? And the question before was, would you mind if Google did it, and I said no right …

I: I don't get the reasoning, so come again?

P3: So, your first question was, you know Google does this and this and that, do you guys mind?

I: No, well, just tell me what you think?

P3: I don't mind that Google scans my mails …

I: Why not?

P3: Because it's Google, and I …

I: Because you trust Google?

P3: Yeah, I think I do …

I: Ok, well, that's interesting, why do you trust Google?

P3: Because they are big, I don't know.

P2: I agree with P3, because they are big. Basically because you know if they messed up, people would decide to bring them down, that is my belief.

I: Really, and you are aware of the fact that there are quite a few law suits from the European Union against them and the anti-awards.

P2: Yeah, but that's the thing, it's the reaction. If it was some country only being in Africa then I wouldn't trust it.

I: So, basically, all the alarm bells are ringing, even the EU are going against them and yet here you sit and say I'm completely fine with it, because if there was something wrong with it people would do something against it.

P2: Yeah, and they do! Things are being done. But I wouldn't trust it somewhere where I wouldn't think the institutions or consumers would be free to attack it.

I: So you trust Google?

P2: No, I trust the EU to force Google to comply with consumer rights.

I: So you trust government?

P2: Yes.

I: So it's the government's responsibility to take care of stuff?

P2: In a sense, yes.

I: So Google, they can do what they want, but then the government …

P2: Should limit them in what they want and can do.

I: What does the rest think?

P4: I think it's inevitable for the IT companies to take advantage of their power and their size, so no government can limit them, that's impossible. I think that in 50 years, or even less actually, I think that in 10 years all your data is going to be available online and that pretty much already happened in a lot of countries, I think even in one of the Baltic countries, in Lithuania, everything you have about yourself is online. You can do everything online, you know. So, that's the future man, all your data is going to be online, and once it is online, it is going to be publically available. You cannot protect data online, that's a myth. My Dropbox, my Facebook, everything I put online, I agree with it to be public.

P1: Ok, so you received something from Google right, and they want something in return, and for me it is like an exchange, I am not paying for their service, so you can have my stuff. I you don't want your personal data … if you don't want it to be shared, then you don't use Google.

P4: Or you make a fake account, as I did.

P3: Yeah, but it is actually basically what you said …

P1: Yeah, it's an exchange. They give a service, you pay for it.

P4: I don't trust big companies by the way, the bigger they are, the meaner they are!

I: Ok, that's exactly the opposite.

P4: Yeah, and that's why I also think that no government can limit them.

P3: But let me ask you then, what is the alternative?

P4: Yeah, what is the alternative? …

I: So the reason you put up with their activities is because there is no alternative? Say that Hotmail wouldn't do it, would you use Hotmail instead of Gmail?

P3: Yes, then I would change if the quality of the service was equally. But it's not because Gmail is better than Hotmail.

P2: Hotmail just sounds wrong.

I: Ok, let me look at what I still wanted to ask you. So you mentioned energy preservation and stuff, right? So suppose that a company would power, you mentioned that Google powers it's

servers on green energy, stuff like that, right? Does that have any influence on what service you use?

All: No!

P1: But it's good to know.

I: Why is it good to know?

P1: It makes you feel better I guess, I mean everybody is wasting resources and then you know there is somebody who is doing something good.

I: Ok, well that's a good thing … So, coming back to a point made earlier, that the IT industry takes less from society and environment than others, how is that … is the IT industry in that sense different from other industries, is it different?

P4: Well, it is different, because, you know, IT is pretty broad by the way. Is you say IT and you mean like companies like Facebook, Google, Apple and stuff then they are not the IT sector, they are complementaries to the IT sector. Pretty much the IT sector is broadband and storage. And all that happens around it, is just complementaries making money out of it. For instance, broadband and storage become cheaper and cheaper every day, but they are practically free and that's why Google has such a tremendous growth and expansion, because they are free of charge and the cost for them to deliver you your products. So, if you talk about IT and you talk about the complementaries, the websites, the dot com boom, then they don't have shit to do with environmental impact. If you talk about IT in terms of making broadband and storage and processing power, then you have the impact of environmental costs, you need to mine out all the minerals out of the ground, to make chips and stuff.

I: Ok, but now you are only coming back to the environment, but what about data security, what about work safety, all the dimensions that you read about, I mean, is that not important to IT companies? Is it less important to IT companies to contribute to society basically?

P4: No, it is important to contribute to society, but not in a way that they have to repair their own damage. For instance, I wrote that they should help youth and children and that's the example of (inaudible), they want to teach coding to children, I mean that's a real CSR initiative to me.

I: Ok, what about the rest?

P1: All companies are part of society, all should be interested, but whether it will affect me as a consumer, I am not sure. But indeed if I have an alternative …

I: So assuming all things equal, you would go for …

P1: Yeah, for example if I hear Nokia is destroying the Amazon forest, and Samsung offers something in comparable quality and price, I would buy that, I would feel better.

I: Ok.

P1: It also depends on the opportunity costs, if I can easily switch to something better, I will.

I: Alright, but P3, you look skeptical?

P3: I'm a bad person, I wouldn't be … I wouldn't take it into the purchase decision.

P2: I'm thinking, maybe it would have an effect on the peer pressure in a sense. If, for example, Nike would have a problem with child labor, would you consider being judged wearing a Nike shirt or not?

P1: Well, it depends on the scandal right.

P2: Well, if it's bad enough …

P4: I wouldn't worry about peer pressure, no.

I: But P1, you possibly want to work for Nike, and if it doesn't influence your purchase decision, does it influence the fact whether you would like to work for one of these companies?

P1: Are you referring to working conditions, or child labor, or what? Obviously working conditions would affect us all …

I: Ok, I understand that working conditions obviously are important, but aren't you scared of working for a company that isn't very much appreciated by society.

P2: But (inaudible) was a great example.

P1: Well, maybe I can compare it with dating a whore or something. People would be like "look at this stupid guy, dating this s---".

I: Assume you have a job offer from Company A and Company B—the conditions are identical. One company is involved in a scandal concerning workplace safety at a Chinese supplier…

P3: I'd go for the company that pays more. [Laughter]

I: I said the conditions are identical. They are paying the same.

P3: Oh. I guess that shows my priorities. Ok, well then I would go for the green one.

I: Ok, last question, just looking back on the discussion, how do you assess the value or the necessity of doing CSR for IT companies?

P2: Average!

I: Why average?

P2: I think P4 brought a good point, for me personally, when you speak about CSR, it's the first association, and it's environmental, like disasters from BP, so then I would say, no, I don't see IT companies damaging the environment much. So they don't need to restore any damage.

I: So why average and not the value is low?

P2: Well, that's the thing, taking it more widely, and if consumer rights and work place environment is part of CSR then yeah they do! … I would say probably average to the lowest point. Again, because for me the first association is the environment.

P5: CSR for IT companies is more like improving the brand image than actually caring about society. They can make better working environments, they can help youth and children, but in the end it's all about their brand image and they would help to transfer the brand image with a halo effect to the end product. That's it, they can just create some more value for the brand, but nothing more.

P3: I think it is necessary for them too, because everyone is doing it and if you are not then you're basically behind other companies.

P1: For me they should use CSR, but as long as they apply to their activity, and as long as they, not really extract value, but add value to their product.

I: Do you care for CSR in the end?

P1: I cannot say that I don't, but in case of IT companies, I don't really care that much. They are not the companies we are talking about when we talk about destroying the environment.

I: But do you care about brand image in general? That does have an impact on you guys?

P6: Yeah …

I: The thing that came up in the last focus group was that, indeed, the companies are doing wrong, we don't really care about it, but it is in fact bad.

P2: The thing is, when you imagine yourself at the buying point, you don't consider such things.

I: You just want to impress your peers?

P2: Yeah!

P4: I don't believe that my decision or opinion will influence anything, that's why I don't …

P5: Basically, it doesn't influence us, but it should.

Focus Group 3

[Introduction]

I: If you think of information technology, what companies come to mind?

P1: Samsung, Apple…

P2: …Windows, Sony…

P3: [Laughs] Windows! It's Microsoft.

P4: Windows is an operating system from Microsoft.

P2: Whatever—you and your technology…

P5: …Google…

I: Great, hold on. Maybe everybody could note down a few? That would be great.

[Writing]

I: Okay thanks. Now… why did you choose the companies you did?

P2: Well, for starters, I think that we all have products from Apple.

P5: Yeah, uhm… like… Google *is* the Internet.

I: And quickly—when you buy IT products, what factors influence that choice?

P3: Friends, commercials…

P6: Online reviews!

P2: Uhm, if I think—like a new TV—how do I choose a TV…commercials do play a role yes. Like, 'yeah I saw a commercial about that—that's probably okay'. But it depends what kind of product it is… I think that for phones, for example, it might play less of a role…

[Inaudible, lots of noise]

P5: Have you seen the new conversational search? It's voice controlled. You ask a question… as in you say it out loud, and Google answers. It's like the supercomputers in science fiction movies…

I: And have you heard anything about the companies that you listed—in terms of corporate behavior?

P5: How do you mean… like marketing? Acquisition?

I: Uhm… more regarding their role in society.

P1: Yeah. Uh… Just recently there was something in the news about Apple. That they—that they don't pay their employees very well. They're paid so badly… Yeah but it's not something you get into very deep.

P5: Yeah but I heard that Apple is very green. Like 70 percent of a Macbook can be recycled or something—at least that's what I heard somewhere. But apart from that—what else do I know…

P6: What? Apple? I always thought they were the worst… because you cannot change the batteries on their devices.

P4: Yeah that's why they exchange cell phones immediately when you bring them in.

P3: Yeah sometimes you read something in the paper, or see something in the news.

I: Do you ever look actively for information on what corporations are doing?

P1, P2, P5: No!

P4: Well I know that they are engaged in some shady practices—like conflict minerals and stuff.

I: Okay, do you know more about that?

P4: I think it's called Coltan or something. It's mined in Congo… and they use it for chips, I think… CPUs. It's pretty messed up. There's children working in mines, warlords fighting over the mines… civil war basically… financed by Western corporations.

P2: What? I've never heard of that… Like what companies?

P4: I think all of them.

P6: How come we don't know about this?

P4: Yeah well, it's not something that's big in the media. They don't want you to know. I heard about it in a course when I was on exchange. They can get away with it, because the truth is, we don't know what's in our phones. We don't know how they work; we don't understand the least bit about them. We only know what they do and why we need them.

[Affirmative nods].

I: Are you familiar with the concept of CSR?

P4: [Mocking] No, tell me more… [Laughter]

P6: Yeah, it's corporate social responsibility—that you invest in green energy… that you invest in your people…

P4: Never heard of… [Laughter]

P3: ...it's like conscious business—paying attention to the surroundings and stuff.

P4: Yeah of course I know what it is.

I: And you guys?

P2: Yeah, me too.

P1: …that companies should contribute to society—give back.

I: Great. Could you do me a favor and note down what it corporate social responsibility means to you?

[Writing]

I: Could you think of an IT company that *does* 'give back'?

P5: Puh… Good question. To be honest—I really don't know.

P6: If I had to guess I would say that, overall, it's 50/50. Some companies do a bit to improve their image. But I couldn't name a concrete example.

P1: Yeah well, you always hear about Bill Gates…

I: What do you hear?

P1: Yeah, that he gives millions to charity.

[Inaudible]

I: Could you name a concrete CSR initiative?

P1: Mmmm… not by an IT company. I know that H&M is currently asking people to bring back their old clothes for recycling.

P2: Ha! So actually you pay twice, because you buy it back later…

P1: No I think you get coupon or something… I'm on their email list—I know.

[Inaudible]

I: Have you guys heard about Foxconn?

P5: Yeah, the world's biggest chip manufacturer.

I: Yeah!

P5: What about it?

I: Well, you haven't heard about the labor conditions there?

P6: Oh yeah… I think I remember something. People jumping off the roof?

P5: What? For real? [Chuckles]

[Recording error | part missing]

[Respondents writing down/discussing CSR dimensions]

I: According to the Reputation Institute, Microsoft, Google, and Apple rank among the five most responsible companies worldwide, can you…

P2: Apple?

I: Can you think of why that would be the case?

P4: Well—you don't 'yahoo' stuff; you 'google' it! [Laughter] And yeah, Apple…

P2: Actually I always hear bad stuff about Apple. Never heard stuff about Google.

P4: Well I think—I *think*—that Google, in my opinion, is good—sort of… my intuition says… [laughter]

I: Interesting. But how do you know that? Why do you think that?

P3: You know I feel—I think that many young people work in IT.

I: And you trust young people more than old people?

P3: Well, in a way, yes. I think they have the greater interest in sustainability. I mean, it's our future.

P5: Yeah, there's always something hip going on at Google. Not long ago there was this—I don't know—some competition written out, who could hack their site—for money. They allowed this, encouraged this. And the winner got some cash or something.

P3: Yeah, they're not such a traditional company.

P1: But do you have to be young to set up something modern? I don't think that's necessary but okay.

P3: But I think that a company with such an image—such a young image—that they are more likely inclined to—to be busy with responsible things… That they're just more involved. Like I said—it's our future, to put it bluntly.

I: And do you take companies' claims at face value? Do you trust them—I mean, in general?

P6: No way. Especially big companies—I don't trust big companies. The bigger they are, the meaner they are.

P1: Hey—nowadays they write 'beef' on the label and sell you horse meat…

P4: Do you think they are mean on purpose?

P6: No, maybe not. I mean, some companies have good people working for them—people who want to be good, and do good things. But they are in the minority I'm sure. Eventually they're held like animals in a zoo. They can do good in their little circle of influence—live it out. It's like: 'Be wild—but only in your cage. Don't interfere with corporate profits'.

P5: True. Some companies might say they are committed to sustainability but eventually that turns out to be worthless. I mean, it might be true or not. But there's often a huge gap between a statement and the execution.

P4: Yeah but it also depends on the company. The irony is that people believe in shiny images—Steve Jobs, flashy department stores, et cetera. They think that Chinese firms are shady, and don't realize—don't realize that that is exactly what is behind the flashy image. They're really just covering it up with all their fluff—like 'ah we're so cool, we have a cool product, everybody likes us'… They win the people and then the people don't want to believe anything to the contrary. If you went to a die-hard Apple fan and said, 'Apple is bad for society', no way that they would believe you.

P5: Yes, people don't think for themselves. They assess the reputation of a company based on what other people say. They say, 'Look, everybody has Apple, Apple must be a good company'.

I: Google and Apple also received a negative price—the 2013 Big Brother Award. That's an award given out to companies for data abuse. So one the one hand you hear that those companies are responsible but on the other…

P2 [interrupting]: Oh yeah, all the privacy sh--.

I: Does that influence how you view a company? Or how you view their products?

P2: Oh yeah, well—it's not like I wouldn't buy the product anymore. But maybe I would think about it more—use it more consciously, you know? Be more mindful what I put on my phone and stuff.

P1: True. Same goes for me.

I: And how would that manifest itself—if you say you would be more mindful?

P2: Yeah well, like, not downloading certain apps or—that some information I don't put on my phone.

P4: But isn't that strange? I mean, your telephone is private right. I really don't think that's cool—*especially* your phone should be private.

P2: Yeah but in the end—look I have this stupid LG. And I miss my iPhone because it's so fast and I miss the operating system—and of course I have more privacy with this [points to LG] than with Apple. But still I prefer my iPhone.

I: And why?

P2: Because it's faster, it works better.

P5: It's more user-friendly.

P6: But why do you have more privacy on this one than on the other one?

P2: Because some apps—well, I don't know really but that's what you read.

I: So you are willing to trade off your privacy for the functionality of the phone?

P2: No—yeah. I mean… I think ultimately we don't have a choice. If you don't want to be an outcast—the whole social media—if you want to participate in that…if you want to use these services you just got to learn to live with it and say goodbye to your privacy.

P5: True. You have to be on Facebook these days whether you like it or not; otherwise you're forgotten.

P3: I do agree. But anno 2013—come on—you go with the times. But you can keep it in mind. Some people put everything on Facebook. All these GPS things, everything turned on, where people can see exactly where they are and stuff. That's not necessary. That's freaky.

P4: Yeah and on iPhone you can link everything to your Facebook. But you don't have to.

P1: But I think he also means that they collect our data when we are not aware of it… right?

I: Yes, also. What I find interesting now is that from what you said it seems like the responsibility lies with the individual rather than with companies...

P3: No, I think that they shouldn't collect our data. They shouldn't. But we all know that they do—so then keep it in mind. Because you can't—I mean, who are we to do something about that. 'Hey, listen…' [Chuckles]

P5: Well, sometimes that helps. Take Microsoft. Does anyone use Windows 8? [No answer] Good! Because it's total crap. My mother bought a new computer and she has no clue how to operate. Not that that's anything new. But even I—for the first time—after ten years— I had trouble finding my way around a computer. I swear, it's sh--. And now Microsoft—I think

they have announced this yesterday—that they are launching a new Windows within the next six months. So basically they are reacting. They are making this Blue edition or something. So when people do criticize them a lot, the do react.

P6: Yeah but it goes two ways… You can say Facebook, Twitter, et cetera—I don't need that because my privacy is so important to me. Or you can say I think it's cool to have a nice phone that I can do nice things with but those are the consequences—that the one or the other company in California—that they have my data. But okay, I think you can decide for yourself how far you want to go—how much you want to share. You can also fake some of your data. So then it is really up to the individual to a certain extent.

P5: Maybe if some people didn't have to publish everything they ever did or said…

P1: Do you know that Facebook saves all your conversations?

P2: Yes and—what where your last Whatsapp chats about? I mean—what do the companies gain from the information?

P4: Yeah, you'd think that. Last week I wanted to say something and I thought—can't say this on Whatsapp—imagine they pull this up, it can always be used against you… Everything you say.

P6: Yeah if you want to be Pope later—you shouldn't chat with small boys.

[Laughter]

P4: Yeah. But of course you don't think about it all the time—you don't think every minute, 'Gosh somebody is saving this'. So it's dangerous.

P3: Yeah and all our Instagram photos belong to this psycho from Facebook—you know—if it has to be like that than I don't need to put my photos on there.

P5: And you can't even untag yourself anymore from Facebook photos. If you're tagged…

P1 [interrupting]: You know what's really scary? When Facebook recognizes you in pictures! When you have a picture and it asks you, 'Is this XYZ?' How's that possible? How f-----g sick is that?

P2: Yeah or when you pass by somewhere and get a notification XYZ is in the neighborhood… that sort of crap.

P3: Imaging you turned down an invitation because you had to study. And then your friend sees that you're really somewhere else and goes, 'What? Bitch' You can get into all kinds of trouble these days.

P4: You can turn that off…

P6: Yeah but another important point is that they earn money with that—with you. And you might not know that. Do you know how much money they earn with your information?

P1: I hate this supervision… George Orwell practices…

P4: Yeah but if you have nothing to hide…

P1: That's irrelevant. It's called privacy—if I have something to hide or not should not play a role.

P5: Honestly—so far I don't really have a problem with it. Unless really sensitive data are made public it's all good for me. As long as they don't film me and put the videos online—they can know my location—whatever. Of course by using all that shit, you will have some exposure. But I'm rather insensitive to that.

P4: You can also not buy these things. But I'm not going to throw all my technology out the window…

I: So I gather that you guys have thought about privacy matters quite thoroughly. That's a topic for you… But what if it doesn't concern you directly—imagine that workers die in the process of manufacturing your phone?

P1: Yeah that would make me think—but only if I knew about it. And I don't. But with Primark, for example—I would think twice before going to Primark now.

P3: We definitely have an awareness problem. You know—when you buy something technical, you don't think about it. You see these products—you see that they are expensive, they look good—and you hear nothing negative in the media. And then you don't realize that things are not right. You don't have these associations. So you need something big to happen to even learn of it, like Primark.

 [Inaudible, discussion]

I: Okay so say you *do* know. Now we learned that there are conflict minerals in our phones… would you still buy?

P5: Yeah, I swore to never set a foot into a Primark store. Everybody who shops there—I have no respect for these people.

P6: I'd like to say yes. But—when I imagine myself at the buying point, it's more impulsive. I just want to buy that stuff. It's like when you're on a diet. You know you shouldn't eat the BigMac. But it's hard. I might eat it in secret [laughs].

P4: Yeah, I also don't—I don't want to give up my luxury. I might be willing to pay €50 more if I knew that the production did not do any harm. But I don't get that option. Give me the same phone in a more sustainable version.

P5: Exactly. We need a phone that can replace the iPhone in terms of functionality—with a sustainable edge. Because let's be honest—as horrible as the conflict mineral story is—I'd probably still buy the iPhone otherwise.

I: Why?

P5: I need the productivity…

P3: For me it's like—I mean—we need a phone. And how much worse is one company compared to the next? They're all the same… So what are the options?

P1: True. You can turn vegetarian, but the meat is already dead. Of course it's not like I don't care. I'm not like, 'whatever'—but in how far can you really do something about it? That's the question.

P2: You could always boycott it. Same as with eating meat—if everybody ate meat only once per week there would be less cows and chickens in those nasty farms in the first place.

P1: Right. Say you stop buying. Then people in the mines don't have to work anymore—but then they die of hunger. As terrible as it sounds—it might be better for those people to have *any* job than be criminal or die in the streets. I know it sounds disgusting but if you think about it—it might be better.

P4: In other words—we're doing a good deed [chuckles]?

P1: I know it's absurd.

P5: I think eventually for IT companies it's not so important to be perceived as socially responsible as long as they cultivate the right image and people love them—even if they are the reason that people are dying in Africa—that doesn't really matter, because it's not in our heads.

P6: I agree. Eventually the average consumer is not interested where his product comes from. He only wants a good product at a good price—that's all he cares about. So here the state would have to step in and say 'we cannot go on like that, we need to create a little fairness'. Because the consumer won't do it—the companies won't do it—they will say they want to but they really don't. They might want to create the image—but in the end they only want to make profit. So it's a dilemma where only very little can happen without an impulse from the outside.

P5: Yeah, I think CSR is only window-dressing.

P3: That's the world we live in—greed rules the world.

I: But what are companies responsible for then? For example—is it Apple's responsibility to alleviate poverty?

R5: No, of course not. They should provide good computers, and good jobs.

P4: Some of this stuff is so hypocrite—on the one hand companies claim to save energy but at the same time they use conflict minerals from Africa. So you can ask yourself—they're doing more harm than good—but they're trying to pass it off as something magnificent. That's why I don't like all this unrelated CSR stuff. Like—I don't care if they go and help foster children, that's not their job. They should make sure they don't do harm themselves, that's important.

Pilot Test

So I would like to talk about two things today: corporate social responsibility and information technology. Are you ready?

Yes.

When you think of information technology, what companies come to mind?

Microsoft. Cisco. Apple obviously. Google. Facebook. What about you?

IBM. HP. Samsung. Sony… there's a lot.

Why these companies in particular? Do you own any of their products?

Well, I think they come to mind because they are sort of everywhere right now. Everybody is talking about how they use Facebook every day, they use Google every day. And I don't have any Apple products. However, I do have a computer using Microsoft products.

Yeah, I agree. I do own Apple products though; I hate to admit it (laughs). But there's some hype around these companies. Cisco I don't know, Sony I think is dying, but Apple, Google, Facebook, definitely.

In your opinion, which IT companies are most admired, or say, have the best reputation?

I guess that would be Apple. Well, let's say Apple with Steve Jobs. However, right now it's a bit more complicated.

Google I would say—Amazon maybe. I think it's a pretty cool company; I admire them personally.

What have you heard about these companies?

Well with Apple, everybody is excited about Apple with the new iPhone 5 etc. Google, yeah, Google glasses and tablets, Google Hangouts, have you tried it? It's better than Skype! You can video call with like four people, and the quality is better too.

Yeah, I want to have Google glasses (laughs).

Ok, and in terms of behavior… Like corporate behavior, negative, positive, anything?

I personally really dislike Apple because I read the Steve Jobs book and they very explicitly describe that he doesn't believe in corporate social responsibility or any responsibility for that matter because the company is just there to make money. Since that moment I disliked Apple even more. That's why I don't own any Apple products. However, I know that Microsoft, Bill Gates, is one of the biggest contributors to charity. They have like this Bill Gates foundation thing. So in that sense Microsoft is a much better company in my opinion. So is Google. They are also quite involved in… all sorts of… helping kids, whatever (laughs). I actually never really thought much about it.

You said that regarding Apple you got information from this book that you read. But about the others… Where do you get such information from?

Well, about Bill Gates, it's quite well known, I think. He donated more money than anyone else in the world. That was quite discussed in the media. I don't know how much money they spent advertising that fact (smiles). But I mean… I think that's the right thing to do. Once you reach a certain level, like that amount of profit and you're so well known around the world, you know… to give back. That's why I really dislike Steve Jobs, having his power, and the way he influences young people, and then say, yeah, 'don't care about other people and just think about your own profit'. I think that's a bit disrespectful in a way.

Yeah, it's almost like he learned from his past "mistakes". He was still pissed off that Microsoft took the throne and now he took out his frustrations on the world. A bit of a douchebag.

So I understand you are familiar with the concept of CSR?

Yeah! (smiles)

So what does it mean to you?

It's corporate social responsibility. It's about companies behaving appropriately towards society and the community, and people, and the environment, and not just to do things right, but to do the right things, or something like that (laughs).

And why would that be important to IT companies?

Well, I think it's about building a positive brand image. I think nobody wants to be associated with a company that has child labor or something, like Nike, where kids are making your

shoes and stuff. They'd rather want to be a respected company that helps kids, or supports African kids, or gives money for medicine.

Yeah, say that you would make a purchase decision between two products that are identical; chances are that you would choose for the company with the better image, or social message like 'We help the community'. I mean I would always go for that company.

So in your opinion, which IT companies do actually practice good CSR?

Well I mentioned Microsoft. I think Google. I think most companies are somehow involved in that…

Except for Apple…

Except for Apple under Steve Jobs. I don't think they were involved in any sort of… helping anybody; which is quite sad.

Can you name a concrete example of a CSR initiative by any of these companies?

Concrete… Well, with Microsoft I know they have a foundation. It's mostly about medicine I think. Helping sick kids et cetera (whisper)?

…like curing aids and stuff.

I think they are helping kids in Africa. And they are involved with education… like everywhere. And with Google… I think I read something that they also help kids…

Yeah, you got us. We have all these images in our heads about companies. But we don't actually know what they really do.

No but the thing is mostly what is being widely advertised are the negative situations. When something fucked up happens, then everybody knows about it. But the positive things, they're not that well known. Because I think as an IT company you don't really have to appeal to mothers, you know, like food or something. It's more about young people, people who really want a product that does exactly what they want. So they're like 'okay, first of all it's hard to believe that some kids in Taiwan somewhere are somehow connected. However, I do remember that for the Apple factory there were some people killing themselves in China. But generally it's not something that comes to mind with IT companies. Because with them, you know, I want my product; I want it to be the best; so who cares?

Interesting. So you are saying it's not something that comes to mind with IT companies. Is it less important for them than for other companies?

No, I don't think so. But because an IT product is something more like… it's more of a… it's not an experience good. It's like an actual factual thing that you want to do very specific things. So you look for very specific features or something. And if you find it, and it's exactly what you wanted, I think you are less likely to think about CSR. But if you have two identical products – in that case you might think about it.

So you trade in what's good for the world for what's good for you and forget about the rest?

Mmm (nods). (Laughter)

No but I think it also has to do with the image of IT companies being like so super awesome producing in high tech factories, so you don't really associate them with child labor and stuff.

Interesting that you point that out. Because it seems that IT companies really have a good reputation. According to the Reputation Institute, Microsoft, Google, and Apple are all among the Top 5 most responsible companies worldwide. And also, the IT industry seems to be the most trusted of any industry. How do you feel about this?

Yeah, I wonder why. Maybe it's really that IT is somewhat disconnected from the real world. Like… what harm can you do with data? They're not cutting down trees, they're not spilling oil. It's just code and stuff.

But actually, if you start thinking about it. These data centers are really bad for the environment. They need huge amounts of electricity. But they are usually situated somewhere in regions where nobody lives. So it's not something you think about every day. And there's not any media hype about it. It's not like food products that are really important to everybody. You see them every day et cetera. IT really is more of a vague concept; nobody really knows what a data center is.

Do you ever actively seek information about CSR?

I did once. About Apple, after I read that book. That was the only time I ever really googled it. But generally, I'd say you see stuff in the newspaper.

Yeah, I agree. I never really look for it, but sometimes it comes around.

Would you say that you generally trust companies' CSR claims?

I think that Google, Apple, and Microsoft are companies that are so big that newspapers are constantly searching out bad information about them to spoil their reputation. So I assume that if they were involved in something bad, that would come out through the media.

Yeah, we escape that responsibility (laughs).

And I don't remember Google, for example, publicly advertising their CSR. It's not like Phillip Morris. When they donate some money, you read it in every newspaper. When they spend 1 million dollars on a good cause, half of that money goes into advertising it. I think Google and Facebook donate money, but it's not something you read about in The Economist. But then again cigarettes are a different case than IT.

Yeah, IT is not inherently bad. They have less to prove.

You think that they are already the better corporate citizens?

Yeah, I think that in the minds of people they are better. Alcohol and tobacco companies make people sick. IT companies' products don't.

What about game addiction?

Yeah but you cannot see that straight away. It's not like alcohol.

So the good reputation of IT companies is justified?

Well, I don't really have sufficient information to answer that.

If the research institute says so I tend to believe that.

Oh really?

Maybe that's wrong (laughter).

And would that ranking influence your likelihood to purchase, say Apple products?

Well it might. If under the new CEO they communicate a different strategy. It might actually. True story.

Yeah, true story.

But there is also some conflicting evidence. Have a look at this… [Provided brief on 2013 Big Brother Awards].

Well, I knew that stuff about Google. But I view it differently. When I search for something I want to get the results customized for me. And the only way I can get that is if they actually scan what I'm doing there. And the advertising is about what I want, I like that. So, the privacy issue is not important to me. If you are afraid of privacy issues, don't do anything on the Internet. I mean, people are posting stuff on Facebook like crazy, and then Facebook can use that stuff as well because they have access to everything. But it doesn't stop anyone. I mean the only way to avoid is to not post anything. It's a choice that you make. If Google didn't operate the way it does, the service couldn't be as efficient. It makes your search life much easier. In a few years all our data might be in the cloud anyways…

Sounds like Glasnost. The transparent man, all information up for grabs.

Well, I believe that if you want good service you have to share stuff.

So, say that company A scans your emails to target you with ads, you don't care?

They do it anyway. I mean there is no way to keep them from doing it. They own the stuff that is on their servers; even if you don't realize it. Because people… people generally don't know shit about how privacy works on the Internet; and that's a big problem because they have no idea that Facebook accesses everything, and they sell that data to other companies. But they can do it because you in fact you gave them consent when you joined. The same is true for email. And in my personal opinion, the government has to educate people about this. Young people especially, they do not have a clue. They do not even know that their data is being scanned.

So you think that the responsibility lies with the government?

Yeah, it seems that companies can do whatever the fuck they want these days…

Well, I don't think that the companies do wrong. If you don't want to share your data with Facebook, don't post anything! It's your own decision. But then people do it for the social proof. People are just stupid I think, generally. So the government does not have to prohibit it. But they need to educate people so that they can make a more conscious decision about what to do and what not to do. But yeah, I don't think that's going to happen anytime soon.

Assume that four workers die at company B's manufacturing plant, due to unsafe working conditions. How do you feel about that?

It makes me sad obviously.

Would it influence your purchase behavior?

I think it depends on what the company's response would be to that…

Mmm… I wonder if that would actually influence Apple's revenue.

Probably not.

Yeah, I don't think so.

And if they were to do something positive? Like run their servers on green energy?

Yeah….

It's all the same to you.

Well, I know that generally negative news affect purchase behavior more than positive news. But in the same way… I mean… I think if a data center ran on solar energy entirely that might actually influence me. That would cost a huge amount of money, and money spending is where the real effort shows. So that would actually maybe influence my decision. But, like, some people killing themselves somewhere… I don't know… yeah.

You are horrible (laughs).

Ok, well, I can explain why actually. I used to live in Syria…

You lived in Syria? How long?

Three years.

Wow.

Damascus?

No, Aleppo. The second biggest city. Well, anyways, it's normal that kids work there. Because otherwise they would just die. Because there's food, the mother has like 15 kids. There are no jobs; it's normal that they are working. So if they would not go to work in a factory, they would die anyways. So that's why for me it's not so bad to see kids work in a factory. I mean it's not like they would go to school otherwise. They don't have that option. So it's reasonable for them to work in factories. So I am relatively neutral on child labor. I guess I look at it differently than the average Dutch person. But I know what else comes if they don't do that. For me the environment is more important. Maybe that's wrong, but we are

going to have kids in the future, and they will grow up in a shitty environment if we don't watch out. And also preserving the environment is much more costly than creating a nice working environment. So that maybe shows a better… like more engagement. It's a bit of a sensitive issue.

Okay guys, one last question. Looking back on this interview, how would you assess the value of CSR to IT companies?

It's actually a very interesting question. Because I think the perception of IT companies is different from the perception of CSR for other companies. Because people view… I personally view IT companies as state-of-the-art factories, and really visionary people, and so I don't think it's really important for them. However, that's wrong. Because when I think about it… How are they really different from any other company? But yeah, I guess… So… What was your question? (Laughter)

It should be important but somehow I don't think it is.