

# Taking the High Road: Moral Identity and Individual-Specific Determinants of Prosocial Purchasing Behavior



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## INTRODUCTION

Corporate social responsibility (CSR) is an increasingly common yet complex component of managing organizations and businesses. Research highlights the positive effects of CSR, yet the mechanisms by which it increases consumer willingness to pay (WTP) are unclear. CSR is linked with higher sales growth, higher return on assets and firm valuation, improved brand reputation, and increased interest from younger generations. These benefits, however, come with a cost. The increased costs associated with social and environmental initiatives are often passed down to consumers through higher-priced products. The 2022 IBM Sustainability Report found that “Half of consumers say they’ve paid a premium — an average of 59% more — for products branded as sustainable or socially responsible in the last 12 months.” Their findings, and those in the literature at large, show that individuals evaluate CSR-related products differently. Despite this, the individual making purchasing decisions is the determinant of consumer behavior towards CSR practices that is most overlooked.

Several studies approach responsible business from the company’s perspective, focusing on production and marketing techniques that will generate returns. Few studies, however, analyze the characteristics of individual consumers that affect their likelihood to make a prosocial purchasing decision. In pursuit of more information about drivers of consumer behavior, this research explored the following research questions:

**How do individual-specific determinants affect consumers’ willingness to pay premium prices for prosocial products?**

**Does visibility to one’s community influence consumers’ willingness to pay premium prices for prosocial products?**

## METHODOLOGY

### VISIBILITY CONDITION

Spending on CSR is inherently tied to giving back to one’s community, and evidence shows that social dynamics affect consumer behavior. Some products invite consideration of public opinion, such as apparel with recognizable labels. To control and measure the effect of public visibility on purchasing behavior across product types, half of the respondents were shown the statement,

**“When considering this scenario, please imagine you are making this decision in front of others. That is, imagine your friends and/or family will be aware of the choice you make. In this sense, your purchasing decision is public.”**

The other half of respondents were told that others would not be aware of their choice and that their purchasing decision is private. Participants were randomly assigned to these conditions.

### SURVEY DESIGN

To study WTP for CSR, this study aimed to isolate prosocial behavior. I built on Small & Cryder’s (2016) work which defined prosocial consumer decisions as “purchase behavior involving self-sacrifice for the good of others or of society.” To this end, I created mockups of fabricated products for respondents to consider. Consumers compared two options that met the same need, but one product benefited society and was higher priced. Presenting products that do not exist outside of this study ensured that respondents’ varying personal knowledge of different companies, brands, and other associations did not alter their perception of the products and their qualities. Consumers were asked, “Which product would you purchase?”

Product A



\$4.25

Product B



\$5.85

Respondents indicated their likelihood to make a prosocial purchasing decision on a 5-point Likert scale.

After each purchasing decision, respondents indicated their level of agreement with 4 statements about purchasing motivators. This reflected the level to which the prices of products, the value of products, the cause a product supports, and the perception of peers based on the purchase motivated the decision that each individual made.

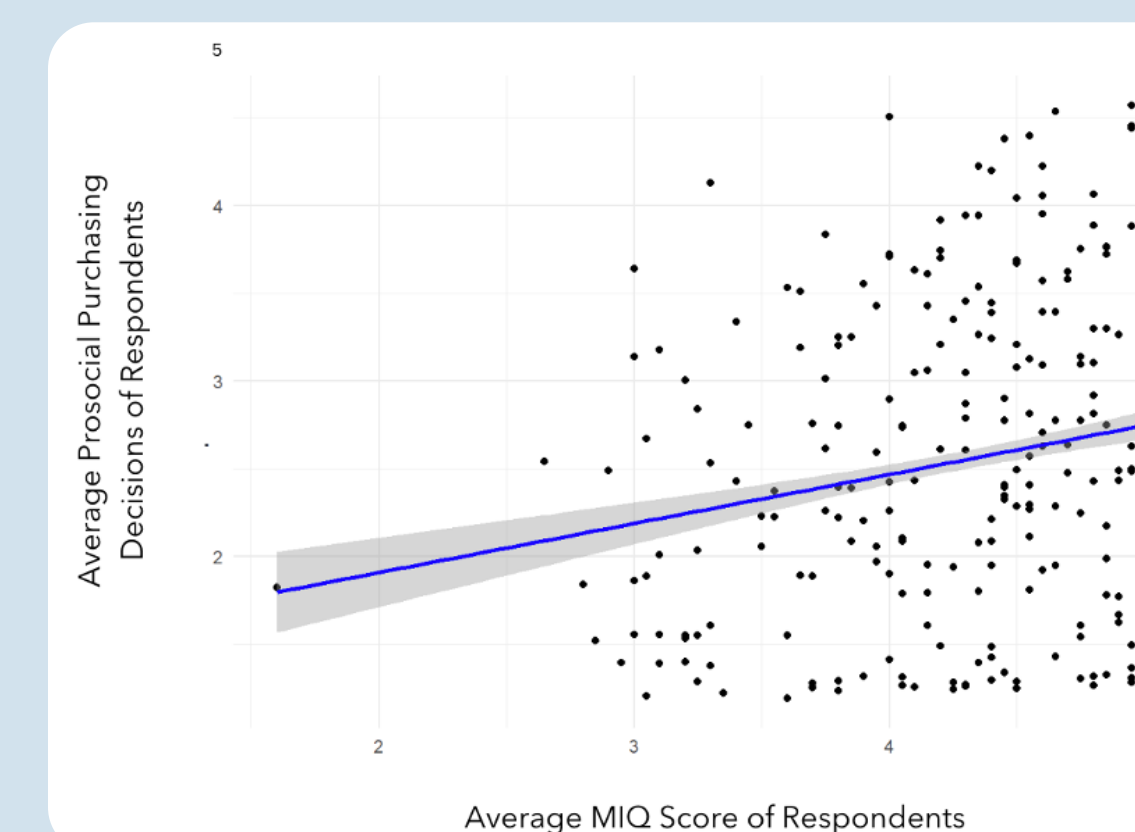
Finally, each participant completed the Moral Identity Questionnaire (MIQ), a set of 20 questions validated in decision-making literature that provide a metric for individuals’ moral character, and responded to several demographic questions.

## FINDINGS

### MORAL IDENTITY HAS A GREATER IMPACT ON PROSOCIAL CONSUMER BEHAVIOR THAN DEMOGRAPHICS OR VISIBILITY

Linear Mixed Model Estimation of Fixed Effects of Exploratory Variables on Purchasing Decisions

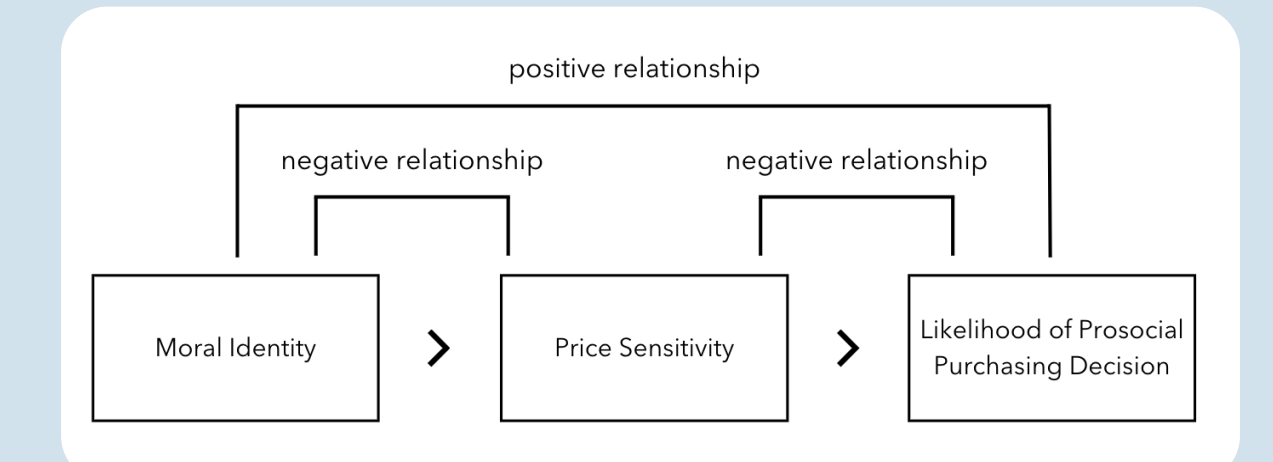
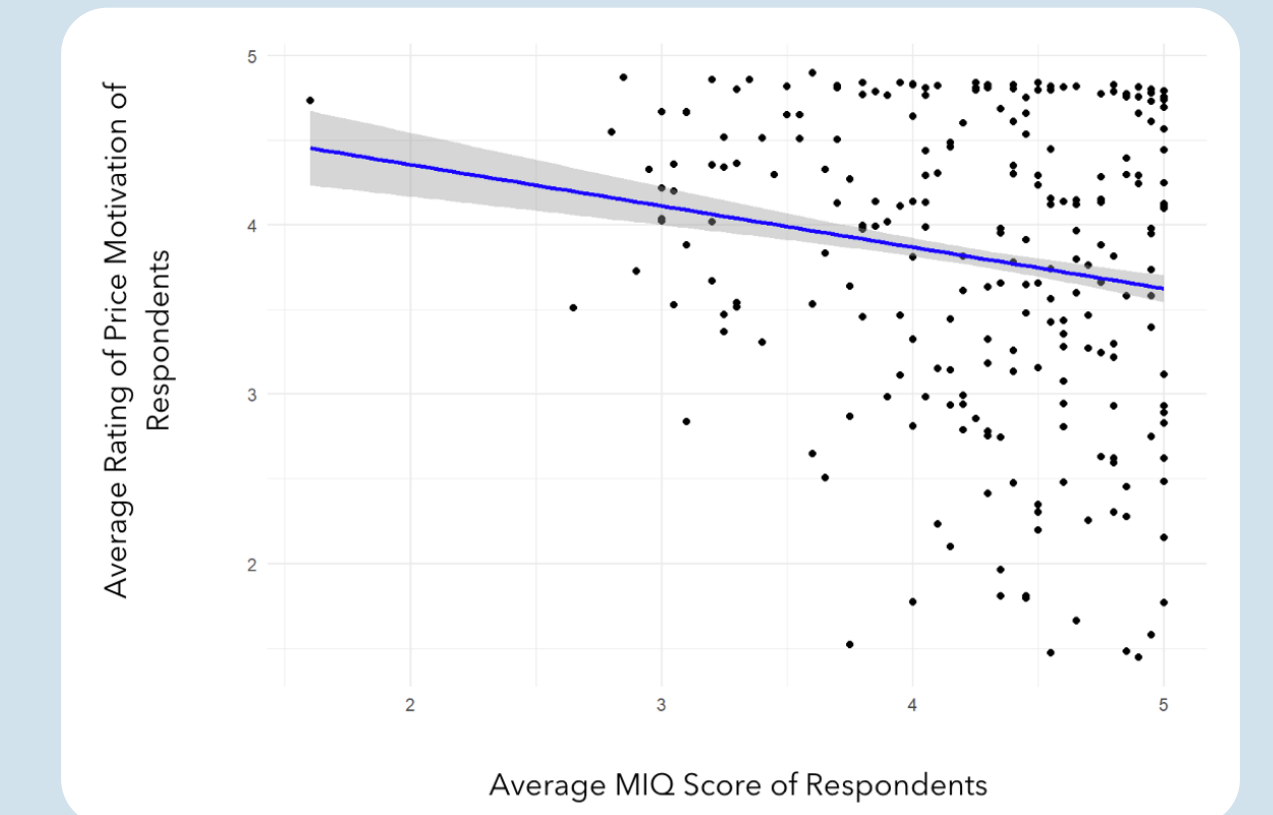
Variables	b Estimate	Standard Error	Degrees of Freedom	T value	Pr(> t )
Intercept	1.631	0.542	235	3.007	0.003*
Age	-0.009	0.008	235	-1.171	0.243
White	0.064	0.169	235	0.379	0.705
Female	0.248	0.152	235	1.626	0.105
Standardized Income	0.086	0.074	235	1.157	0.249
MIQ Score	0.262	0.127	235	2.063	0.040*
Visibility Condition	-0.023	0.147	235	-0.154	0.878



### THE EFFECT OF MIQ ON PURCHASING DECISIONS IS TRANSFERRED THROUGH THOSE WITH HIGHER MORALITY SCORES EXPERIENCING PRICE INSENSITIVITY

Mediation Model of Price Sensitivity and Prosocial Purchasing Decisions

Variables	β Estimate	Standard Error	Z-value	P(> z )
Level of Agreement with Price as a Motivating Mediator (1-5)				
Age	0.012	0.007	1.635	0.012*
White	-0.108	0.149	-0.725	0.469
Female	-0.194	0.142	-1.367	0.172
Standardized Income	-0.132	0.065	-2.028	0.043*
MIQ Score	-0.239	0.100	-2.384	0.017*
Visibility Condition	-0.004	0.135	-0.028	0.977
Likelihood to Make Prosocial Purchasing Decision (1-5)				
Age	0.001	0.004	0.112	0.910
White	-0.022	0.111	-0.195	0.845
Female	0.094	0.094	1.000	0.317
Standardized Income	-0.019	0.043	-0.429	0.668
MIQ Score	0.072	0.085	0.845	0.398
Visibility Condition	-0.026	0.092	-0.281	-0.778
Price Motivation	-0.793	0.027	-29.847	0.000**



### VISIBILITY DOES NOT HAVE A DIRECT RELATIONSHIP WITH BEHAVIOR, BUT COMMUNITIES’ PERCEPTIONS DO

Linear Mixed Model Estimation of Exploratory Variables on Mediators: Peers’ Perception

Variables	b Estimate	Standard Error	Degrees of Freedom	T value	Pr(> t )
Intercept	2.98	0.488	235	6.113	4.05e-09**
Age	-0.006	0.007	235	-0.930	0.353
White	-0.274	0.152	235	-1.798	0.073†
Female	-0.107	0.137	235	-0.784	0.434
Standardized Income	0.039	0.067	235	0.577	0.564
MIQ Score	-0.195	0.114	235	-1.708	0.089†
Visibility Condition	0.410	0.132	235	3.093	0.002*

Correlation Matrix: Individual-Specific Variables, Purchase Behavior, and Mediating Variables

	1	2	3	4	5	6	7	8	9	10	11
1. MIQ Score	1										
2. Age	0.265*	1									
3. White	0.181*	0.224*	1								
4. Female	-0.146*	0.106*	0.067*	1							
5. Standardized Income	0.047	-0.014	-0.054	-0.124*	1						
6. Visibility Condition	-0.052	0.020	0.039	0.012	-0.063*	1					
7. Purchase	0.114*	-0.020	0.027	0.091*	0.052	-0.014	1				
8. Price	-0.109*	0.045	-0.034	-0.073*	-0.091*	0.008	-0.728*	1			
9. Value	0.065*	0.022	-0.055	-0.024	-0.025	0.015	-0.130*	0.334*	1		
10. Peers’ Perception	-0.144*	-0.104*	-0.129*	-0.079*	0.028	0.164*	0.231*	-0.154*	-0.001	1	
11. Cause	-0.104*	-0.076	-0.026	0.046	0.056	0.007	0.769*	-0.030*	-0.160*	0.360*	1

## CONCLUSION

Personal **morals and values** are significantly **positively related** to prosocial consumer behavior through their effect on **price sensitivity**.

Neither **visibility** nor consumers’ **demographic characteristics** had a direct relationship with purchasing behavior.

Individuals with **strong moral identities** are influenced by the **perception of their community**, and that influence translates to purchasing behavior **regardless of whether actions are visible** to their peers - this suggests the social influences on prosocial behavior are **internalized**.

Companies can leverage **psychographic analysis** of consumer bases to evaluate the impact higher prices associated with CSR will have on WTP.

## ADDITIONAL MATERIALS

The full dataset, R-Script, and analysis output are available on osf.io.

