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Millennial Consumers shape Corporate Culture towards Sustainability - The case of the food industry in Portugal

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Abstract

The main purpose of this Thesis is to understand Portuguese Millennials' attitudes towards Corporate Sustainability and whether these influence companies' Corporate Culture. Millennials seem to care about the environment and society to a greater degree than previous generations, and as consumers, they care about the sustainability of the products they buy. They also present an extremely complex brand loyalty behavior, and want to buy from companies whose values are in line with their own. To understand whether there is indeed a relationship between this generational segment's sustainability values and their preference to buy from certain companies, the food industry in Portugal served as the exploratory ground, and between- and within-subject experiment was employed. The results show that not only does Corporate Sustainability mean more to Portuguese Millennials (as consumers) than sustainable production methods (i.e., organic production), but knowledge of a company's engagement in sustainability practices influences these consumers' purchase intent and brand loyalty. More specifically, knowledge that a company engages in sustainability practices beyond sustainable production methods had a positive effect on these measures, while knowledge of lack of engagement resulted in a negative effect. Moreover, this segment of consumers not only tends to be more loyal to companies whose values are in line with those of sustainability but also punishes those which are not in line with these values, even if these companies engage in sustainable methods of production.

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1. Introduction

1.1. Introduction

“The business of business is business”, said Milton Friedman. However, this notion has come to change in the near past. Indeed, scholars have emphasized the need for a change in the perception that society as well as managers themselves have regarding the role of business in society (Ghoshal, Bartlett, & Moran, 1999; Scherer & Palazzo, 2007; Porter & Kramer, 2011). While profit is the ultimate goal of a company, there is a lot a company can do to ensure that its profitability is sustainable. More than ever, companies engage in sustainability initiatives that go beyond their business core (Haanaes et al., 2012), in an attempt to fight some of the challenges, social, environmental or economic, that humanity currently faces. Some may regard these actions as just another marketing scheme, while others genuinely believe that the Modern Corporation is trying to “give back” to society. In the consumer industry, companies such as Unilever or Nestlé have made it to the top of the Dow Jones Sustainability Index (Industry Group Leaders 2016, s.d.). The latter, as an example, has made its goal to make the cocoa industry sustainable (The Guardian, 2016).

Many reasons may drive companies to adopting sustainable practices, one of which is the pressure exerted by its customers (Elkington, 1994). Millennial consumers (broadly, those born between 1980 and 2000) may be one such segment of customers. According to several studies developed on Millennials as consumers, this is a very powerful consumer segment that companies should be targeting (Strauss & Howe, 2000), yet it is one that displays a complex brand loyal behavior. This behavior may be, among other things, influenced by the fit between their own values and those of the companies they buy from (Tapscott, 2009). On the other hand, it may also be the case that a company simply wants to engage in such policies (Van Marrewijk, 2003), regardless of which consumer segment it targets, as an act deriving from the company’s own culture and the set of values it bases its activity and existence on.

What will be investigated in this Thesis is evidence of the relationship between these two drivers, specifically for companies within the food industry in Portugal. Given Millennial consumers’ concern for environmental and social issues (Barber, Taylor, &

Dodd, 2009) and their complex brand loyalty behavior, the intent of this Thesis is to understand what values a company must possess to attract this consumer segment, which in turn may be a powerful driver behind companies' policies for maintaining a Sustainable Business. To understand this relationship Portuguese Millennial consumers were studied. Specifically, the research focused on these consumers' views on the role of business in society and their opinion towards business sustainability, as well as how these may influence, through brand loyalty, the culture and set of values that companies targeting this segment must possess.

1.2. Research Objective

The research objective of this Thesis is then to understand what are the attitudes and opinions towards Corporate Sustainability of Millennial consumers in Portugal and analyze what makes these opinions relevant for the culture of companies in the food industry within the country of Portugal. To explore this subject, the following research questions were asked:

RQ1: What is the Portuguese Millennials' view of the role of business in society and business sustainability?

RQ2: What are these consumers' opinions towards sustainability in the food industry?

RQ3: How does knowledge of a company's sustainability practices beyond production affect Portuguese Millennials' loyalty behavior towards a company in the food industry?

RQ4: What makes this shape the culture and set of values of the companies within the food industry?

1.3. Thesis Outline

To firstly understand the theoretical reasoning and develop hypotheses, a review of the available literature is provided. The review begins with a definition of Corporate Sustainability and moves on to outline both theoretical and empirical research of its effect on business performance. Subsequently, a link between this concept and that of corporate culture is made, and the literature available on this relationship is reviewed.

A detailed description of the Millennial generation is then provided, with a focus on this generation as a consumer segment as well as on its view of the role of business and society. After, a context is provided, as the research will be based on a specific country, namely Portugal. The reviewed literature served as a basis for the following development of hypotheses. Then, a detailed description of the methodology for data collection, both qualitative as well as quantitative, is provided. Following this description, the results of the data collection are reported. After, a discussion of the results is provided, followed by the implications this research brings to the field, as well as a description of the limitations of the study. The Thesis then finishes with a conclusion, which summarizes the research motivations and key findings of the present research.

2. Literature Review

2.1. Corporate Sustainability in the Food Industry

Dyllick & Hockerts (2002) defined Corporate Sustainability (CS) as “meeting the needs of a firm’s direct and indirect stakeholders (...) without compromising its ability to meet the needs of future stakeholders as well” (p. 131). A sustainable corporation pays attention not just to short-term gains but also focuses on the long-term aspects of its business. According to the authors, there are three dimensions of sustainability: economic, social and environmental. While all three components of sustainability are of great importance, the two latter are the most interesting for this Thesis. Social sustainability refers to adding value to the communities within which a company operates, while environmental sustainability refers to the company’s usage of natural resources, which should fall below the natural rate of production, as well as controlling for harmful emissions and the degradation of eco-systems that may be caused by its operations (Dyllick & Hockerts, 2002).

Specifically in the food industry, sustainability is an issue that has attracted a lot of public attention in recent years, as a result of social and environmental sustainability challenges that the industry faces (Pullman, Maloni, & Carter, 2009). Companies in this sector rely on both the work of farmers and natural resources, the latter of which can be affected by climate changes resulting from the industrialization of this sector

(David Gardiner & Associates, 2012). Corporate Sustainability in this industry may take the form of products resulting from organically (or “farm”) grown ingredients. According to the International Federation of Organic Agriculture Movements, organic agriculture can be defined as “a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved” (IFOAM, 2005). Ingredients from this type of agriculture are not only healthier choices for the human body but also may prevent environmental devastation and specifically increase small farmers’ share of value (FAO, s

Indeed, society may benefit from sustainable policies developed by companies, and specifically for the food industry, products resulting from organically grown ingredients are a way of developing such policies. Nevertheless, the companies which employ them should also financially benefit from them, as performance is indeed the ultimate goal of business. This is what is explored in the next segment.

2.2. CS and Business Performance

There is a rather small but growing body of research that tries to describe the relationship between the development of Corporate Sustainability policies and companies’ performance. The main issue in this type of research lies in finding accurate measures for both business performance and the link between this and the sustainability efforts of companies (Eccles, Ioannou, & Serafim, 2014). Eccles, Ioannou, & Serafim (2014) studied two groups of companies across several industries, those which had developed such policies and made them a part of their business strategy and those which had not (even if they did engage in some form of sustainability practices). The authors found that the two groups followed distinct Corporate Governance models, differed in the level of stakeholder engagement and divided their focus differently between the short- and long-term aspects of their businesses. Additionally, the first group outdid the second in terms of business performance, measured by the authors through stock market performance over the course of 17 years (Eccles, Ioannou, &

Serafim, 2014). Looking at “the real world”, it is also possible to find examples of success among brands which invest in the sustainability of their business. As an example, Unilever, the FMCG giant, encompasses in its portfolio of brands those which the company terms ‘Sustainable Living Brands’ and defines as “brands contributing towards its goal of doubling the business while reducing environmental footprint and increasing positive social impact”, and in 2015 the company saw these growing twice as fast as its other brands (Spary, 2015).

The majority of the studies conducted on this matter, however, present results not of a direct but rather an indirect (and positive) relationship between the development of sustainability practices and business performance. Pullman, Maloni & Carter (2009), for instance, found that developing sustainability practices led to an improvement of cost performance. Fowler & Hope (2007), on the other hand, presented a case study where they found that a proactive corporate environmental strategy may be a source of competitive advantage, which not only promotes business performance but allows for its sustainability in the long-term. The ways in which sustainability may boost a company’s performance were very well documented by Harvard Business Review authors Whelan & Fink (2016), who wrote an article with a very strong case for CS. The authors explained how placing sustainability at the core of a company’s business strategy may enhance business performance in several ways. Apart from the already mentioned benefits of competitive advantage, the authors highlighted how focusing on sustainability may improve risk management, foster innovation and attract the right employees, which may result in increased long-term business performance (Whelan & Fink, 2016). More important for this Thesis, however, the authors explained how customer loyalty may be fostered when companies make sustainability part of their strategy, which will be explored in the next section.

There is a highly cited example of how sustainability can be a powerful element of a company’s business strategy. In the late 90s Nike was caught in the middle of scandalous protests due to the use of sweatshops in the production of their footwear and apparel. However, after introducing a new business model based on sustainability and transparency, the company turned it around to become one of the most sustainable

companies in the world (Williams E. F., 2015). Additionally, Nike saved more than \$700 million a year in waste reduction (Fromartz, 2009) and developed product lines around sustainability such as the Flyknit line, worth more than \$1 billion (Whelan & Fink, 2016). More importantly, the company incorporated sustainability as a core competence, benefiting from its innovative power and using this competitive advantage against competitors (Just Did It: How Nike Found the Idea of Sustainable Innovation.. and Ran With It., 2016).

We have seen how developing policies aiming for sustainability not only translates into a healthier society and natural environment but may also be reflected on companies' health, and even present a source of competitive advantage (Pullman, Maloni & Carter, 2009; Whelan & Fink, 2016). As such, this type of policies will continue to attract many companies across all industries. In fact, according to Elkington (1994) "successful companies will have little option but to get involved in this rapidly emerging area" (p. 99).

2.3. Consumers and the value of CS

Apart from the performance-increasing benefits of developing sustainability practices discussed thus far, scholars have emphasized how CS policies may also contribute to a positive image of companies or brands in the minds of consumers. This is particularly important, as the power of a brand (and its financial value) lies not in what the brand is, but rather in the minds of consumer and what they make of it (Hoeffler & Keller, 2002). Referring back to Whelan & Fink's (2016) article, making sustainability a part of a company's strategy may foster benefits stemming from its reputation among consumers. More specifically, "today's consumers expect more transparency, honesty, and tangible global impact from companies (...)" (p. 7).

Information about Corporate Sustainability consumers come across other than that communicated by companies plays an important role in the opinion consumers develop towards companies. Indeed, Einwiller, Carroll, & Korn (2010) found that the evaluation stakeholders make of a firm is solely related to the corporation's media salience regarding sustainability policies. In other words, company reputation among stakeholders is influenced by information the news media transmit about the

company's sustainability policies. For the food industry specifically, Pivato, Misani, & Tencati (2008) showed that perception of corporate policies dealing with social responsibility increases consumers' trust in these products, which then leads to increased purchase intention.

Consumers' opinion is thus very important, and knowledge of a company's sustainability agenda may influence it. However, as Whelan & Fink (2016) highlighted, "today's consumers expect more transparency, honesty, and tangible global impact from companies (...)" (p. 7). The first two cannot be achieved by simply "engaging in sustainability practices": they should, actually, be part of a company's culture.

2.4. CS and Corporate Culture

In the aforementioned study by Eccles, Ioannou & Serafim (2014) of two groups of companies which differed in terms of their approach to sustainability processes, the authors found that the group which developed sustainability policies more extensively "had institutionalized them within and across the organization" (p. 4), which was a fundamental disparity compared to the second group. In other words, these companies made sustainability a part of their own culture, here defined as the "pattern of shared and stable beliefs and values that are developed within a company across time" (Gordon & DiTomaso, 1992). Indeed, Eccles, Ioannou & Serafim (2014) hypothesized that the development of such policies had originated from the underlying culture of the organization. For these companies "environmental and social performances, in addition to financial performance, are important" (p. 2). Of course, a Corporate Culture built on sustainability values will not be the only ingredient in the recipe for success. Building a bridge to the previous section, consumers may be the ultimate judge of a company's dedication to sustainability, which is highly important for the firm's performance. Accordingly, Ellen, Webb, & Mohr (2006) found that purchase intent in response to CS associations varies with the attributions consumers make regarding the motives behind sustainability actions taken by companies. Specifically, according to the authors, purchase intent tends to be higher when consumers attribute the reason behind CS practices to be values-driven as opposed to egoistic (purely performance-driven) or stakeholder driven (Ellen, Webb, & Mohr, 2006).

So far, we have explored how companies (as well as society) may benefit from developing sustainability practices, as well as potential drivers for the adoption of these practices, which should be, ideally, driven by the companies' own corporate cultures and set of values on which they are built. At the same time, we have seen that consumers' attributions play an important role in how they respond to companies' CS efforts and how attributions of values-driven incentives result in a positive response (Ellen, Webb, & Mohr, 2006). So what happens when a powerful segment of consumers not only values but actually demands that the companies producing the products they buy are built on values that drive the adoption of such practices? In the next section, we will look at Millennials, a generational segment of consumers that might just do that.

2.5. Millennials

Generational Theory

Several scholars have researched generational differences and its effects on the behavior of consumers (Howe & Strauss, 2007; Schewe et al., 2013; Schewe and Meredith, 2004; Williams & Page, 2011; Oblinger, Oblinger, & Lippincott, 2005; Reeves & Oh, 2008). Schewe et al. (2013) describe generational *cohorts* as “people who are born together and travel through their lives with each other”. They live through similar events in their adolescence and young adulthood, called “defining moments”, which shape their values, preferences, attitudes and buying behavior in ways that remain with them over their entire lifetime (Schewe & Meredith, 2004). On a more specific note, Howe and Strauss (2000), fathers of the generational theory, argue that there are three attributes that identify the nature of a generation more than birthdate: perceived membership (generational self-perception), common beliefs and behaviors and common location in history (living through the same episodes). Consequently, a group of people born in the same place and during the same interval can be described as generational cohorts, and this group will share moral standards, beliefs, and behaviors throughout their lives.

According to Howe & Strauss (2007) , there are currently six generations coexisting: the GI Generation, those born between 1901 and 1924; the Silent Generation, born

between 1925 and 1942; the Boom Generation (commonly referred to as “Boomers”), born between 1943 and 1960; the Generation X, who were born between 1961 and 1981, the Millennials Generation, or the Millennials (often also referred to as Generation Y), born between 1982 and 2000, and the most recent generation, which the authors named the Homeland Generation but others designate Generation Z (Montana & Petit, 2008; Tulgan B., 2013), born between 2001 and 2025. While most authors agree on how many generations there are as well as their labels, some disparities can be found regarding the age intervals (Williams & Page, 2011; Oblinger, Oblinger & Lippincott, 2005; Reeves & Oh, 2008; Howe & Strauss, 2007).

The “we, more and now” Generation

Strauss and Howe first introduced the Millennial Generation in 2000, calling it “the next great generation” (Strauss and Howe, 2000). Defining an age interval for this (and other) generation from literature is a difficult task, as different authors consider different intervals: 1977 to 1994 (Williams & Page, 2011), 1981 to 1995 (Oblinger, Oblinger & Lippincott, 2005), 1981 to 2000 (Reeves & Oh, 2008) or 1982 to 2000 (Howe & Strauss, 2007). For the purposes of this thesis, Millennials will be categorized as those born between 1980 and 2000, as this is the interval considered by most recent studies and reports (Goldman Sachs, s.d.; Accenture, s.d.; Elite Daily, 2015). According to the U.S. Census Bureau’s International Database, Millennials are 1,7 billion worldwide, comprising one quarter of the world’s population (Nielsen, 2016), the biggest generation since the Boomers (Smith, 2012). Currently aged between 16 and 36, Millennials are young adults starting their careers and growing their purchasing power, which is currently at USD 600 billion per year in the USA alone (Nielsen, 2016). Many authors suggest that the Millennials will set trends and shape the market (Howe and Strauss, 2000; Tapscott, 2009), and see this generation as an attractive target for many consumer industries (Smith, 2012). But before understanding why this generation should be kept in mind by strategists in companies worldwide, it is necessary to understand who they are.

Howe & Strauss (2007) point out that to “anticipate what 40-year-olds will be like 20 years from now, [we shouldn’t] look at today’s 40-year-olds, [but] look at today’s 20-

year-olds”. Scholars tend to agree with the proposition that different generational cohorts display distinctive characteristics and behaviors (Achewe & al., 2013; Eastman & Liu, 2012). Having grown up alongside the development and proliferation of the Internet is something that deeply characterizes the Millennials, and is a major source of difference from their predecessors.

Millennials are extremely *technosavvy*; they trust the Internet and use it extensively as their primary source of information, which has had a major impact in the way Millennials are. Typically portrayed as “lazy, self-interested kids”, really they have a lot of self-esteem, which is empowered by the Internet (Tulgan & Martin, 2001). They are self-centered but team players, autonomous but highly connected, very liberal and open to change, and overall an informal generation (Schewe et al., 2013). Ultimately, Millennials are ambitious and success-driven, global in perspective, but very community minded (Schewe et al., 2013).

The Internet has had an impact not only in the personality of the Millennials, but also in the way they see the world. Compared to previous generations, they have high awareness of the world around them (Tapscott, 2009) and are, according to Tulgan & Martin (2001), “paving the way to a more open, tolerant society” (p.101). Furthermore, Millennials show great concern for the environment and social responsibility issues (Barber, Taylor and Dodd, 2009; Eastman, Iyer, & Thomas 2013), which will be explored further in the next section. The generation in study can then be described by its self-esteem and ambition, contrasting with the way it cares for society, the environment, and, more broadly, the world it lives in. Indeed, Kavounis (2006) argues that this is the most socially conscious generation.

Most of the business literature referring Millennials focuses on the workplace and how this generational group may influence the companies they work for. A recent study by Deloitte (2016) found that this generational group tends to have little loyalty to their employers and value a good work-life balance more than career progression, which presents a challenge for those who employ them. However, the focus of this thesis is how this generational group may change the way companies do business not as employees, but as consumers.

2.6. Millennials as consumers

Millennials are a special segment of consumers, and one that needs to be understood: according to Barton, Koslow, & Beauchamp (2014), Millennials will transform consumer marketing, and thus succeeding to attract this consumer segment will be critical for the success of companies in various industries.

Consumption-oriented and sophisticated shoppers, Millennials are confident in making purchasing decisions (Eastman, Iyer, & Thomas, 2013), but they don't make decisions alone. Before making a purchase, they will ask their friends for their opinion (Eastman, Iyer & Thomas, 2013; Tapscott, 2009; Smith 2012; Schawbel, 2015; Millennial Marketing, 2012) and search for information online (Tapscott, 2009; Schawbel, 2015). They do not trust ads, and rely heavily on the opinions of people like them. They also want to share their own experiences with their networks (Smith 2012), which they easily do because of their connectivity to the digital world and social networks. Millennials can be very valuable to brands, however, they will only advocate for brands if they trust them. Research regarding how loyal this generation is to brands points toward a single direction: Millennials can be the most loyal customers, provided they are treated right and their needs are met (Gurau, 2012; Schawbel, 2015; Accenture, s.d.) but make one mistake, and they will not hesitate to turn their back. This complex loyal behavior is one that needs to be considered by companies in all industries, as their future survival might depend on whether they conquer this generation.

Millennials have a new take on the types of products companies should be offering. They look for more than a product's primary use, and are very interested in the story behind the products (Millennial Marketing, 2012; Hartman-Group; 2014), which has a link to their concern regarding the environment. A recent study from Nielsen (2015) found that a company that has a concern for the environment is highly attractive for this generation, and 73% of Millennials are willing to pay more for a sustainable brand. The same study found that they (75%) *expect* companies to give back to the society (Nielsen, 2015). This result is extremely important for managers, as this generation cares for more than how the products they use fit their lives; they also place value on

how these products interact with the world. Because of the speed at which they can find information online, they can easily know how a product is made (Tapscott 2009).

Knowledge, then, leads to action: according to Tapscott (2009), 40% would abandon a product they love if they found that the company has doubtful social practices. Therefore, building brand loyalty among Millennials is about more than what a company *says*, as they will make decisions based on what the company *does*. They will look for companies they can trust, and avoid those that are dishonest or go against the values they believe in (Tapscott 2009). Conversely, to build a relationship with this generation it is necessary that they perceive congruence between their values and those of the company (Lazarevic 2012). To this end, corporate strategies should be built not only on good products, but also on good values; honesty and integrity become the best policies (Tapscott, 2009), and the organization's mission should speak to a purpose greater than the bottom line (Williams & Page, 2011).

Ultimately, Millennials do not simply demand products shaped to their needs; they want companies to nurture what they believe in and to build relationships with them. For this reason, it is suggested that managers in all industries keep an eye on this segment. Dealing with Millennials will not be a matter of having one product line that serves their needs, but rather about the whole company being in balance with their own values.

A healthy lifestyle

Millennials believe they consume healthier, more natural and less processed food than their parents (Millennial Marketing, 2012). Indeed, in comparison with previous generations, they are exercising more, eating smarter and even smoking less (Nielsen, 2016; Halperin, 2012). Halperin (2012) describes Millennials as sensitive to animal welfare, interested in the local-food movement, and having preference for “all things natural”; for these reasons, this generation is said to be leading a broader movement toward natural, fresh, less processed food (Hartman-Group, 2014).

When shopping for groceries, Millennials tend to read labels more than previous generations. While older generations care more about the “low sodium” and “low sugar” claims of the groceries they purchase, Millennials are more attracted to food

products that are organic, gluten free and high protein (Nielsen, 2015). Nonetheless, a recent study by Nielsen (2015) found that this generation considers health attributes as very important, and 81% is willing to pay premium for these same benefits. Moreover, and consistent with previous results, 75% are willing to pay extra for sustainable food product offerings (Nielsen, 2015).

The concern Millennials show for their health and lifestyle as well as for the environment is thus a forecaster of their behavior towards the food industry. They want sustainable food products that are good for them but also for the environment, and are willing to spend more for such products.

2.7. Millennials and the role of business in society

The concern this generation shows for society may be a powerful mediator of how they view companies' CSR and Sustainability policies. A study by Deloitte (2016) showed that this generation has positive views regarding the role of businesses in society and wants to contribute to this positive impact. McGlone, Spain, & McGlone (2011) cite the Cone study (2008), which showed that 61% of Millennials feel personally responsible for making a difference in the world, and that the majority (79%) of Millennials want to work for a company that tries to contribute to society in a meaningful manner. As consumers, Millennials expect organizations to act in accordance to the social values they claim (McGlone, Spain, & McGlone 2011). Moreover, as previously mentioned, this group of consumers tends to act on how they feel about a certain brand or product through their behavior, and so the perception these consumers have of the firm becomes critical (McGlone, Spain, & McGlone 2011).

3. Context

The choice of studying a particular country, Portugal, was made mostly out of convenience, as to enjoy the ties that the researcher has with the country. Moreover, if the population in study would be that of Millennials in the world (or Europe), the sampling methods that were used (as will be discussed further) would result in a sample that would be highly biased and over representing the Portuguese Millennial population. Portugal is a small Western European country with a population of slightly

more than ten million people (INE, 2015) and a GDP per capita of USD 29 718 (OECD, 2015), and ranks number 24 on the RobecoSAM Country Sustainability Index (RobecoSAM, 2017).

In the Portuguese food industry there was a recent proliferation of brands as well as stores selling organic or biological products. Up to 2006 there was only one specialized store in the country, but nowadays the big supermarket chains all comprise areas dedicated to this type of products, which is growing (Expresso, 2016). Moreover, the two biggest chains have also developed private-labels for organically grown products and products targeting different types of diets (i.e., gluten or dairy free). Furthermore, consumers are also taking part in this “green” movement within the industry. According to a study by Nielsen (2016), one third of Portuguese consumers report to take into account how much a company is involved with its community at the time of purchase. Additionally, according to the same study, 30% of consumers say that the environmental factor is a decisive one when purchasing products. We can thus see that in Portugal there has been some recent concern, mainly in the food industry, to provide consumers with sustainable alternatives to conventional products, and that even very traditional Portuguese companies are adopting such practices. What is researched in this Thesis is what makes Portuguese Millennial consumers a part of this turn.

3.1. Millennials in Portugal

Most of the literature reviewed so far refers to analysis of American Millennials. Little was found regarding this generation in Europe, and even less in Portugal. One online article referred to European Millennials, in comparison to American, as less trusting and more independent (Abillama, 2014). Furthermore, the article pointed to similarities of this generation across the two continents, as also in Europe Millennials are losing credibility in ads and placing more trust in peer-review and online platforms. Additionally, they also demand that company culture embraces social responsibility, as well as a positive interaction with employees (Abillama, 2014).

As such, what is known about American Millennials served as ground for making assumptions regarding Millennials in Europe, and more specifically in Portugal. As previously mentioned, Millennials grew up and witnessed the proliferation of the

Internet, which consequently made them avid users of this technology, using it to communicate around the globe. In turn, this fast and global communication has intensified the global worldwide sharing of “defining moments” by this generation (Schewe & Meredith, 2004). Furthermore, with globalization companies are no longer competing solely with the “next door neighbor”, but rather face competition from around the globe. This has had an effect on the needs and expectations of consumers, which, while remaining immersed in their own cultural inheritance, are more subject to the “global culture” than ever (Guo, 2013), and this can lead to homogenous consumer behavior (De Mooij, 2003). Stemming from these theories, and linking them to the highly connected world Millennials live in, there might be a possibility to predict that Millennials in Portugal will have resemblances to those of the US.

4. Hypothesis Development

As has been discussed, Millennials worldwide seem to not only value companies’ social, environmental and economic sustainability efforts, but also expect companies to give back to the society (Nielsen, 2016). Additionally, they seem to have positive views regarding the role of business in society (Deloitte, 2016). For these reasons, the first hypothesis developed relates to the role in society that Portuguese Millennials attribute to business, which goes beyond the base line of selling products and making a profit.

H1: Portuguese Millennials believe that the role of business in society goes beyond making a profit.

Millennials in the world seem to care about the environment and how food products are sourced (Nielsen, 2015). As such, it is hypothesized that in Portugal they believe companies should engage in sustainability practices, and particularly in the food industry:

H2a: Portuguese Millennials believe that companies in general should engage in sustainability practices.

H2b: Portuguese Millennials believe that companies in the food industry particularly should engage in sustainability practices.

Furthermore, Millennials expect that companies not only develop sustainable production methods, but also act in accordance to the social values they claim (McGlone, Spain, and McGlone 2011). As such, the following was hypothesized:

H3: Portuguese Millennials believe that sustainability encompasses more than just selling products that are sourced sustainably.

Because Millennials in the US seem to care about both their health as well as the environment and are willing to pay premium for food products that are natural and sustainable, such as organic products (Nielsen,2015), it is hypothesized that Millennials in Portugal will have the same preferences within the food industry:

H4: Portuguese Millennials prefer companies in the food industry that engage in sustainability practices beyond sourcing their ingredients sustainably (i.e., organic ingredients).

Moreover, according to Tapscott (2009), they will abandon a company if they find that it has doubtful social practices. As such, the following hypotheses were developed:

H5a: For the food industry, knowledge of a company's sustainability practices influences Portuguese Millennials' likelihood of purchasing the company's products.

As Ellen, Webb, & Mohr (2006) found, purchase intent in response to CS associations varies with the attributions consumers make regarding the motives behind sustainability actions taken by companies, so it is hypothesized that apart from complying with production standards for sustainability, knowledge of engagement (no engagement) in other type of sustainability practices will positively (negatively) affect Portuguese Millennials' likelihood of purchase:

H5b. For the food industry, knowledge of engagement in sustainability practices positively influences Portuguese Millennials' likelihood of purchasing the company's products.

H5c. For the food industry, knowledge of lack of engagement in sustainability practices negatively influences Portuguese Millennials' likelihood of purchasing the company's products.

According to Lazarevic (2012), Millennials want to build relationships with companies which are built on the same values as themselves. As previously mentioned, Millennials believe in values of sustainability and giving back to society, which is the basis for the following hypotheses:

H6a: For the food industry, Portuguese Millennials are loyal to companies whose values are in line with those of sustainability.

H6b: For the food industry, Portuguese Millennials punish companies whose values are not line with those of sustainability, even if its products are sourced sustainably.

5. Methodology

5.1. Research Design

The present research aimed at understanding what are consumers' opinions towards CS and how these may influence, through brand loyalty, the culture and set of values that companies targeting this segment must possess. Specifically, the research focused on the Portuguese Millennials consumer segment and the food industry. To research this topic, descriptive research in the form of both qualitative and quantitative data was collected. Jick (1979) explained that the use of these two methods together, known as triangulation, is used to improve the validity of results, as it allows researchers to benefit from the advantages of the different methods. According to the author, triangulation can be of two kinds: "between methods", referring to the usage of two different research methods, and "within-method", which refers to the use of different techniques within one method. To gather robust results, both kinds of triangulation were used in this Thesis. The first was attained by using both qualitative and quantitative methods of research, as explained, while the second kind was achieved by using different scales or indices to measure the same information within the quantitative methods (Jick, 1979). Additionally, the qualitative research developed was used to obtain information helpful in structuring the subsequent quantitative research, and it was further helpful in interpreting quantitative results obtained (Rossman & Wilsom, 1985).

5.2. Qualitative Research

5.2.1. Data Collection

To collect qualitative data, semi-structured in-depth interviews were carried out. This method allows for a thorough gathering of individual information (Ritchie et al., 2013). Because the focus of this Thesis is specifically the Portuguese market, the interviewees were Portuguese Millennials, and the interviews were conducted in Portuguese. Moreover, the interviews were conducted via Skype, due to geographical constraints. While it is not optimal, this method is in line with the technology-savvy characteristics of the segment, and thus did not present any barriers to data collection. Interview questions were centered around understanding interviewees' loyalty towards companies selling products specifically in the food industry, their opinions towards sustainability practices and how these shape their loyalty behavior. Due to the flexible nature of the in-depth interview, the questions were not followed rigorously, but rather served as guidelines for the topics discussed in the interviews (the interview guidelines can be found in Appendix 1), and additional questions have been asked as necessary. All interviews were audio-recorded with the consent of the interviewees. Later, the interviews were analyzed using qualitative content analysis.

5.2.2. Sample

Interviewees were selected by the researcher through a method of convenience, and selection was contingent on potential interviewees' availability. In total, four interviews were conducted, three via Skype and one present, with each interview lasting between 40 and 60 minutes. Additionally, to allow for direct quoting and avoid potential recalling biases from the researcher, all interviews were sound-recorded, with the knowledge and consent of interviewees. The number of interviews is below what would be optimal, which is manifestly a limitation of this research. Ideally, qualitative data collection should be conducted until the marginal data collected no longer adds new information to the research (Guest, Bunce, & Johnson, 2006). However, there were geographical constraints that did not allow the researcher to extend qualitative data collection any further. Nonetheless, efforts were made to reach diversity in terms of gender (50% of interviewees were female), knowledge regarding sustainability in business and patterns of consumption of sustainable products. Still, it was not possible to diversify interviewees regarding neither occupation nor age. Indeed, all four

interviewees were students or worker, three of them born in 1994 and one born in 1991 (for a detailed demographic description of interviewees please see Appendix 2).

5.2.3. Data Analysis Procedure

The data collected by means of semi-structured interviews was analyzed by qualitative content analysis. This method of analyzing qualitative data is appropriate when the focus of the qualitative research is to gather information as opposed to inductively developing theories from the data collected (Forman & Damschroder, 2007), which was the case. To this effect, three main steps in the analysis were taken, namely preparation, organizing and reporting, as proposed by Elo & Kyngäs (2008). In the preparation phase, the aim was for the researcher to revive her memory of the interviews and was achieved by re-reading the notes taken during the interviews. Additionally, the recorded audio from the interviews was listened to, which served to avoid potential recall bias. In doing this, notes were taken on the information that the researcher deemed most important for the research, and were then compared to the already existing ones. A merger between these notes was then the basis of the analysis conducted in the subsequent steps.

In the organizing phase, the notes were re-read and color coded into different topics. This was an important step due to the semi-structured nature of the interviews, which resulted in certain issues being discussed several times at different points in time during the interviews. Data was then divided into relevant parts. The criteria for relevance was mostly repetition (one interviewee stressing a certain point or several interviewees expressing the same opinion), but information that disagreed with findings described in the literature review or that the researcher considered important was also found relevant. All the information gathered was then grouped into categories that derived from the previously conducted theoretical research, and the researcher then analyzed the different relationships that arose between these categories. This was the last stage of the analysis, and results were then reported and discussed.

5.3. Quantitative Research

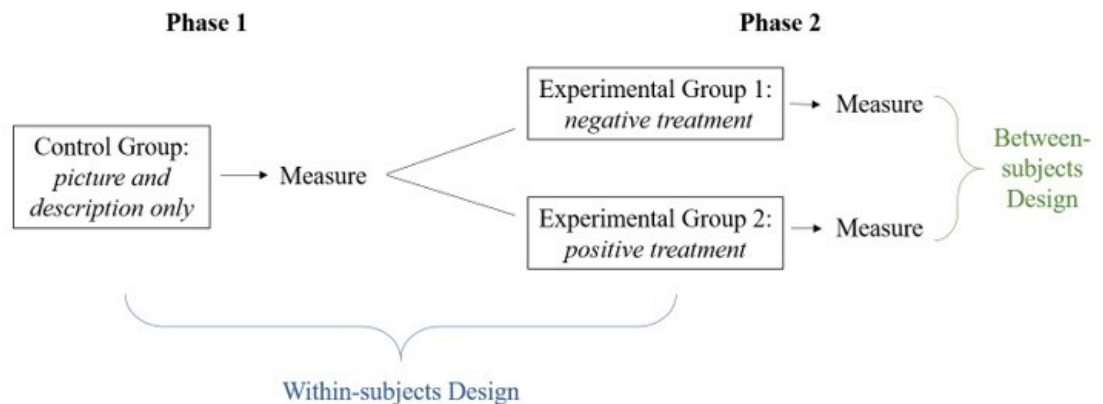
5.3.1. Data Collection

To collect quantitative data, a survey questionnaire was developed. The survey questions were entirely close-ended, and were created in accordance with the specific information needed to answer the research questions. Moreover, the questions were shaped by findings from the secondary data collection as well as data from the qualitative data collection. Several types of questions were used to unveil the necessary information for analysis in order to answer the research questions asked. The method for administering the survey was an online questionnaire using the platform Qualtrics (<https://www.qualtrics.com/>), which was distributed via social media, specifically Facebook. Again, this method makes sense because of the characteristics of the target population. Moreover, it ensures a fast data collection that is easy and comfortable for respondents.

The questionnaire was distributed during the first three weeks of May. It included a total of 15 questions, and the first question shown after a brief introductory paragraph was a validation question where respondents were asked in which year they were born. Those that answered between 1980 and 2000 were allowed to continue. The questionnaire as a whole was separated into three main parts (the questionnaire can be found in Appendix 3). The first part was intended to collect data on respondents' general attitudes towards the role of business in society and business sustainability in general as well as specifically for the food industry. The second part encompassed the description of a hypothetical situation where the respondents were faced with a product of a brand that was unknown to them (a fictitious brand created for the purpose of this questionnaire and which was named SOHA), and were then asked questions about their opinion regarding this brand. The third and last part of the questionnaire included questions regarding respondents' psycho- and demographics. Most of the questions required respondents to select the level of agreement with the sentences from a 5-point Likert scale, where 1 corresponded to "Strongly disagree" and 5 to "Strongly agree". This scale is widely used in research within the Social Sciences field, as it allows for collecting information regarding both the direction and the intensity of respondents' attitudes towards a subject (Matell & Jacoby, 1971). Furthermore, Dawes (2012) explained how there seems to be little statistical difference between data obtained from

5- and 7-point scales, and so a 5-point scale was chosen based on the researcher's preference.

An important aspect of the questionnaire was the experimental nature of the second part. To study how knowledge about the company's CS practices may influence brand loyalty, a mixed design experiment, with both between- and within-subjects methods, was developed. In a between-subjects experimental design, subjects, in this case respondents, are (randomly) assigned to different groups that are exposed to different treatments. This method allows for determining how different levels of an independent variable affect the dependent variable (Bordens & Abbott, 2002). In a within-subjects method, on the other hand, all subjects are exposed to the different treatments, which allows for observing changes of behavior that are a result of being exposed to the independent variable (Bordens & Abbott, 2002). The experiment design is visually described below:



In the first phase of the experiment all respondents were asked to imagine a hypothetical situation where they come across a product, instant coffee, sold by a fictitious brand (SOHA). In the survey, respondents were shown a picture as well as a description of the product (please see the picture and description in Appendix 3, Q12), where they found information regarding both the organic nature of the product and the fact that it is sourced sustainably, as well as information about the company's commitment to offering ethically and sustainably produced products. Respondents were then asked to answer two questions where they were asked to indicate, on a scale from 1 to 10, how likely they were to a) buy the product and b) buy other products from the

company (measurement). Asking these two questions was intended at separating product preference from attitudes (particularly loyalty) towards the brand itself.

In the second phase of the experiment, respondents were separated into two groups. Importantly, tools offered by the Qualtrics platform allowed this separation to be as random as possible, although constrained by reaching a similar number of respondents in each group. Respondents in both groups were asked to read a newspaper article regarding the company that produced the product shown previously, SOHA, but the different groups were shown different versions of the article: one version of the article described that SOHA not only sells products that are organic and sustainably produced but also supports social projects in the communities it is inserted in and has implemented different types of sustainable practices in its offices (positive treatment). In contrast, the other version informed respondents that while the company does engage in organic and sustainable production it does not support any social projects or has implemented any other type of sustainable practices (negative treatment). Both versions can be seen in Appendix 3, T21. The choice of a newspaper article stemmed from Einwiller, Carroll, & Korn's (2010) findings regarding the influence of information the news media transmit about a company's sustainability policies on company reputation. After reading the article, respondents were once again asked the same two questions as in the first phase of the experiment, namely how likely they were to buy the product and buy other products from the company. This between-subjects phase of the experiment allowed the researcher to understand how different information regarding the company's sustainability practices (or lack thereof) affect not only brand loyalty but also the opinion respondents had towards the brand.

The within-subjects method was applied in this experiment by exposing all respondents to both a "before" and an "after" condition. In the before condition, respondents were shown only a picture and description of a product and were asked to share their opinion in the form of probability of purchase, while in the after condition they were exposed to a newspaper article that gave them information about the company as well, and were once again asked to provide their opinion towards the company. This allowed the researcher to understand whether access to the information changed respondents'

opinions. The between-subjects method was then applied in the after condition, where respondents were separated into two groups of the same size and shown different versions of the article, which allowed the researcher to understand how opinions changed with the information provided.

In line with what Hunt, Sparkman Jr, & Wilcox (1982) suggest, the survey was pre-tested by three fellow Master students, two of which had completed Marketing Research courses and one which hadn't. Their feedback allowed the researcher to understand whether the length of the questionnaire was appropriate, which questions were superfluous, if the questions were understandable, and the overall ease of completion of the questionnaire. The updated survey was then pre-tested by the Supervisor of this Thesis. This staged pre-testing allowed the researcher to make sure that the questionnaire was easy to complete and generally understandable by respondents, which are both critical to ensure accurate data collection.

5.3.2. Sample

To collect the quantitative data, the sampling techniques used were convenience and snowball, where the elements of the sample are recruited from the network of the researcher as well as from that of the respondents (Biernacki & Waldorf, 1981). These are both non-probability sampling techniques that allow for obtaining information quickly and inexpensively, as time and financial resources are major limitations appointed for this research. Specifically, the survey questionnaire was distributed via Facebook. Because the researcher is part of the generation in study within the country in study, recruiting respondents from her own network resulted in a sample that is consistent with the population in study, even if clearly not random.

After screening the data for missing and invalid responses and deleting 17 responses that were invalid or uncompleted, the final sample was composed of 177 responses, 120 (67.8%) of which were female. Respondents were born between 1980 and 1998, but there is a clear overrepresentation of people born in the year of 1994, which accounts for 26% of respondents, followed by those born in 1992, representing 10.2% of the sample (descriptive statistics of the demographic questions can be found in Appendix 4). This limitation is a direct result of the sampling method. Because the

researcher was born that year, her close network is composed of people born in the same year, as are their own close networks, among which the survey questionnaire was mostly shared. Indeed, more than 60% of respondents were born between 1990 and 1995. Following the same logic, there is also an overrepresentation regarding the variable Income, with 41.8% of respondents earning less than 500€ monthly, as most of the researcher's close network is still studying. Indeed, students or working students represent 45.8% of the sample.

5.3.3. Data Analysis Procedure

To analyze the data collected in the survey questionnaire, the software SPSS was used. This software allows for statistical analysis of the data, which was the basis of developing answers to the research questions proposed. Most of the results were extracted through an analysis of the Frequencies and Descriptive Statistics of the answers to each question, including Means and Standard Deviations. To extract the results of the Experiment, Independent and Paired Samples T-tests were performed when it was appropriate. This type of tests allows for comparison between the means of two groups regarding a certain dependent variable (in this case, likelihood of purchasing a product or opinion regarding attributes of a company), and were employed in this analysis as a test to the effect of the different experimental treatments, as the manipulated variable should be the only different between the two groups. An important assumption behind Independent Sample T-tests is that of equality of variances among the two samples. This is checked automatically by SPSS through Levene's Test for Equality of Variances, which is presented in the output of the test. Every time this test was performed, the researcher referred to the results of this test, and when the test was not passed the results for the "Equal variances not assumed" output provided by SPSS were used.

Tests were also performed to check the reliability and validity of the results, namely the Pearson Chi-Squared Test, when applicable. This was done with the intention of reducing the Type I error rate.

6. Results

6.1. Qualitative Data

The role of Business in Society

Millennials in Portugal seem to believe that the main role of companies is to offer and make available products or services that are of value to consumers, as well as offer jobs and contribute to the economic development of the countries they are inserted in. While it is not what first comes to their minds, they also think that companies should try to develop the communities they are inserted in and overall conduct business in a way that ensures value is distributed as equally as possible through the actors in the several stages of the value chain. Moreover, they believe that companies should pay attention to the way they use resources and ensure the efficiency of their use. Indeed, some Millennials believe that companies should have a “purpose that goes beyond solely making profit” (female, 22 years old, student). Overall Portuguese Millennials seem to view business in a traditional way, but emphasize that companies should engage in practices that ensure the sustainability of their activity, even if these go beyond their core business.

Corporate Sustainability in the food industry

Millennials in Portugal seem to be very conscious regarding Corporate Sustainability. They know what it is and expressed how important it is as a way of ensuring the preservation and improvement of social and environmental conditions around the world. Indeed, they believe that “companies in particular should care about this, because they are big entities and possess the power and resources necessary to do something about it” (female, 25 years old, working). Sustainability also seems important for Millennials from the viewpoint of efficiency of resource utilization. As one Millennial said, “I don’t think someone has the right to overuse something that belongs to everyone” (male, 22 years old, student), referring to environmental resources. Interviewees explained that sustainability is especially important in the food industry. It seems important for Millennials to know where food comes from. They identified not only environmental sustainability but also social, which for them can be developed by companies through fair trade agreements that ensure value distribution to farmers and producers. Furthermore, environmental sustainability in the food industry, developed through engaging in organic production, seems to be important for

Millennials because the benefits deriving from this type of sustainable practices are not only for the environment but also for the health of consumers, which is seen by them as “an incentive to purchase this kind of products” (female, 22 years old, student).

Mostly, however, Millennials believe that companies produce organic products simply “because there are people who buy them” (male, 22 years old, student), and see the efforts companies make to communicate the sustainable practices they engage in, namely organic production, as a direct result of a recently growing segment of consumers that values these practices. Indeed, Millennials believe companies think more about these monetary benefits rather than “doing good”. Nonetheless, they think that companies, as well as the consumers who value and buy organic products, may be concerned with the impact conventional production has on the environment. Additionally, they seem to believe that “some companies, very exceptionally, produce them due to their moral values” (male, 23 years old, student). In this sense, interviewees repeatedly identified, some more explicitly than others, two types of companies that produce organic products and/or engage in sustainability practices: those that do it because it is something they believe in and is in accordance with the values they believe in as a company, termed those that “do good” (male, 23 years old, student) and those whose interests in engaging in these practices are purely commercial (i.e., they will only do it if they know consumers are willing to pay more for their products as a result), termed the “do harm” companies (male, 23 years old, student).

Specifically for Portuguese industries, Millennials believe that the “impact [of companies’ sustainability practices] is far from being as big as it should be” (female, 22 years old, student). Conversely, they think that companies over-communicate their sustainability efforts, while doing only the “bare minimum” (female, 25 years old, working) to actually ensure the sustainability of their activities. As such, Millennials tend to overlook companies’ own communication regarding their sustainability practices and, in this sense, they place more trust in “organic production” certificates awarded to companies by independent identities. However, they also seem skeptical regarding these certificates, as they believe they are “too lenient and have flaws that make it easy to go around them” (male, 23 years old, student).

Changes in purchase behavior

In Portugal, Millennials seem to be price sensitive, however quality of the product is also as an important attribute when purchasing food products. Accordingly, the price/quality relation seems to be the most important choice factor. If this ratio is perceived to be similar between two products of distinct brands, Millennials will base their choice on the knowledge they have regarding both brands. In this sense, the familiarity they have with the brand plays a very important role. As a concrete example, two of the interviewees mentioned the brand Mimosa as the only brand of milk they purchase, because this was the brand their parents always purchased throughout their childhood (even though they are now relocated out of their parents' house). Additionally, they place a great importance in friends or family's opinions, as opposed to ads or any type of communication from companies.

As brand familiarity seems to play an important role in choice, Portuguese Millennials seem to be brand loyal. However, they would be moved to change the brand of the product they buy if they heard something negative about the company they usually buy from. Indeed, the negative information about the company which they usually buy from seems to play a bigger role than hearing something positive about a company which they don't buy. Interestingly, however, Millennials in Portugal will not seek this kind of information. Indeed, they have "other things to do with [their] time" (male, 23 years old, student), and so are not proactive in knowing more about a company before purchasing their products. But when they do come across some type of information beforehand, they will act on it. Ideally, Millennials will be informed about a company's sustainability efforts through news or friends, because "when it is the company saying, [they] will not believe it as much" (female, 22 years old, student).

Regarding purchasing decisions in the food industry, Millennials seem to have a notion that the responsibility of a sustainable industry somewhat lies in the hands of consumers, as they are the ones who choose which brands to purchase from and consequently which type of companies (those that "do good" as opposed to those that "do harm") will thrive. Indeed, they seem moved not only to purchase from companies that "do good", but also to "not help companies whose interests are purely commercial"

(male, 22 years old, student). However, there seems to be a gap between this belief and their actual consumption behavior. While they do value that companies engage in sustainability practices, they perceive these products as more expensive, and opinions regarding willingness to pay seem to be divided. Some Millennials think this price difference is representative of the benefits the product has not only for the environment but also for the health of consumers, while others do not believe that the premium price can be justified, mostly because they do not believe that “the certificates for organic products actually mean something” (male, 22 years old, student) and think that “the premium [they] pay does not actually translate into better practices” (male, 23 years old, student). Additionally, Millennials seem to buy organic products mostly when they are certain that companies produce them because of its own moral values and culture. If this is the case, they are willing to pay more, however still contingent on the amount of the price difference. If not, they would rather purchase conventional products to “not help companies whose interests are purely commercial” (male, 22 years old, student) even if their products are sustainable.

6.2. Quantitative Data

6.2.1. Behavioral and psychographic characterization of the Sample

Throughout the questionnaire respondents were asked questions to assess their shopping behavior within the food industry as well as specific behavioral questions regarding consumption of organic products. Question 7 was aimed at understanding how respondents choose which companies they buy products from. In this question, respondents were asked to rate how important they find certain product attributes when they are choosing which food product brands to buy from, by rating each sentence from 1 (“Not important at all”) to 5 (“Extremely important”). Table 1¹ below shows the descriptive statistics for the responses to this question. “Quality of the product” and “Price/quality relationship” were the attributes classified as the most important by respondents, both with mean 4,67 and almost identical standard deviation. The second most important attribute for respondents is “Ingredients”, with mean 4,34 and standard

¹ For convenience purposes, only relevant fractions of the output tables will be shown in the body of the Thesis. To see the full output tables, please refer to the Appendix.

deviation 0,72, followed closely by “Price”, with mean 4,28 and standard deviation 0,66. The attribute that was classified as the least important was “Appearance/packaging”, with mean of 3,15 and the highest standard deviation, at 1,01.

Table 1 - Descriptive statistics of Questions 7

Question	Q7.1	Q7.2	Q7.3	Q7.4	Q7.5	Q7.6	Q7.7	Q7.8
Mean	4,28	4,67	4,67	3,53	3,15	4,34	3,75	3,98
Std. Deviation	0,66	0,49	0,51	0,92	1,01	0,72	0,91	0,73

Question 9 asked respondents whether they were familiar with organic products, to which only 9,6% of the sample answered they were not. Question 11 then inquired respondents about how frequently they purchase this type of products, to which the majority (50,8%) of respondents answered “Sometimes”, followed by 23,7% of respondents who reported to “Rarely” buying organic products (Appendix 5).

To understand the psychographic characterization of the sample, at the end of the questionnaire respondents were asked to classify a group of sentences on a scale of 1 (“Strongly disagree”) to 5 (“Strongly Agree”). The results are shown below in Table 2. The sentences with which respondents in general seemed to agree more with were Q26.7 (“I am concerned about my health”) with mean 4,54 and Q26.1 (“I care about the environment”) with mean 4,44. These are also the questions to which answers are the most homogenous, with standard deviations of 0,63 and 0,61, respectively. On the other hand, the sentence with the least average agreement was Q26.3, (“I always buy the same brands”), with mean 3,5 and standard deviation 0,96.

Table 2 - Descriptive statistics of Questions 26

Question	Q26.1	Q26.2	Q26.3	Q26.4	Q26.5	Q26.6	Q26.7	Q26.8	Q26.9	Q26.10	Q26.11
Mean	4,44	4,23	3,50	4,16	3,98	3,81	4,54	4,23	3,95	3,89	4,29
Std. Deviation	0,61	0,76	0,96	1,13	1,03	0,93	0,63	0,88	0,95	0,93	0,76

6.2.2. Reliability of the Experimental Groups

For the second stage of the Experiment, respondents were divided by Qualtrics into two groups, which received different treatments of one manipulated variable, namely the content of the news article presented. The two separate groups were labeled S, the

group of respondents who were shown the piece of news describing how SOHA engages in sustainable practices beyond organic production, and NS, the group which read the article describing how SOHA does *not* engage in sustainable practices beyond its organic production. Qualtrics distributed respondents randomly between the two groups, with the only constraint being an equal number of respondents in each group, which resulted in 91 respondents being assigned to group S and 86 to group NS, which corresponds to 51,4% and 48,6% of the overall sample, respectively.

To ensure the reliability of the results, the demographic and psychographic information of respondents in both groups was assessed. For results to be reliable, it is very important that the two samples differ only in terms of the variable manipulated. The distribution of the results for the demographic and psychographic variables of both groups can be seen in Appendixes 4 and 6. Additionally, a Mann-Whitney U test was conducted (this nonparametric test is appropriate for when the distribution of variables is not normal, which is the case), and the results show that for all questions except one the distribution of answers to each question seems to be similar for both groups (please see Appendix 8). This shows that indeed there is a similarity of the proportions of the variables between the two groups, and thus results of the experiment should be valid and the probability that the differences observed happen by any reason other than the manipulated variable should be reduced.

6.2.3. The role of Business in Society and opinions towards Corporate sustainability

We will now look at the results for the first part of the questionnaire, which was aimed at collecting respondents' opinion towards the role of business in society and business sustainability. Question 3, the first question presented after the validation question², asked respondents to choose what they believed to be the two most important roles of business in society from a list of sentences regarding the role of business in society. These results can be seen below in Table 3, which shows the frequency of the answers

² Questions are numbered according to the numeration in Qualtrics platform. In the platform, parts of the questionnaire composed solely by text and which only provide information and do not ask any question are also numbered as Questions.

chosen to this question. We can see that 74% of respondents consider that businesses should contribute with value to society. In other words, only slightly more than 25% of respondents do not believe that the role of business in society encompasses increasing value for the latter. The second most chosen sentence was “Generate profit”, with 57.6% of respondents choosing this option. “Provide jobs” was the third most chosen sentence (46.3%), followed by “Sell products/services” (20,3%). The results for this question support H1, which stated that Portuguese Millennials believe that the role of business in society goes beyond making a profit.

Table 3 - Frequency of responses to Question 3

Answers	Frequency	Percent of respondents
Generate profit	102	57,60%
Provide jobs	82	46,30%
Contribute with value to society	131	74,00%
Sell products/services	36	20,30%
Other	3	1,70%

In Question 5, respondents were asked to classify their agreement to the sentences on a scale from 1 (“Strongly disagree”) to 5 (“Strongly Agree”). The group of sentences presented in this question was aimed at understanding respondents’ opinions towards Business Sustainability. Table 4 below shows the mean and standard deviation of the answers to the several sentences within the question. The sentence with which respondents agreed most and to which responses were the most homogenous was “Companies in general should engage in sustainability practices”, with a mean of 4.72 and small standard deviation of 0.42. On the other hand, the sentence which resulted in the least agreement amongst respondents was “Companies only engage in sustainability practices to improve their reputation among consumers”, with standard deviation 1,11 (the highest) and mean 3,13. The sentence with which respondents disagreed most was “Engaging in sustainability practices is an irresponsible use of shareholders’ money”, with a mean of 1,48 and one of the smallest standard deviation values, 0,82. These results thus seem to support H2a, where the researcher hypothesized that Portuguese Millennials believe that companies in general should engage in sustainability practices.

Table 4 - Descriptive statistics of Questions 5

Question	Q5.1	Q5.2	Q5.3	Q5.4	Q5.5	Q5.6	Q5.7	Q5.8
Mean	4,72	1,48	3,13	4,30	1,99	3,66	3,24	2,49
Std. Deviation	0,45	0,82	1,11	0,82	1,03	1,05	1,03	1,04

6.2.4. Corporate Sustainability in the Food Industry

To understand what were respondents' opinion towards business sustainability specifically for the food industry Question 8 was created, with sentences resembling some sentences in Question 5. The descriptive statistics for this group of sentences is shown below in Table 5. Similarly to Question 5, the sentence with which respondents agreed most and to which responses were the most homogenous was "Companies in the food industry particularly should engage in sustainability practices" with mean of 4,62 and standard deviation 0,59. The one with which respondents agreed the least was "I would never buy a food product from a company that does not engage in sustainable practices", with a mean of 2,5 and standard deviation of 1,05.

Table 5 - Descriptive statistics of Questions 8

Question	Q8.1	Q8.2	Q8.3	Q8.4
Mean	4,62	3,69	3,18	2,50
Std. Deviation	0,59	0,95	1,04	1,05

To understand whether respondents differed regarding their opinion towards sustainability in business in general and in the food industry in particular, Paired Samples T-tests were performed to the answers to questions 8.1, 8.2, 8.3 and 8.4 and 5.1, 5.6, 5.7 and 5.8 respectively, which were the most similar (please see the questionnaire in Appendix 3), but asked respondents to focus on the food industry specifically. The results for the paired sample tests are shown below in Table 6. We can see that the only significant difference (at the 5% confidence level) is that of the answers to Questions 8.1 and 5.1. In other words, respondents showed a statistically significant difference of opinion regarding business in general and the food industry particularly only in one of the sentences, namely "Companies should engage in sustainability practices". In this case, on average respondents seem to agree to a greater degree that companies in general should engage in sustainability practices than

companies in the food industry (mean of difference of -0.11), and this difference is statistically significant at the 5% level (p-value of 0,022). For all other considerations, respondents seem to have no significant difference of opinions for the food industry specifically. For this reason, hypothesis H2b is not supported.

Table 6 - Paired Samples T-tests between Questions 5 and 8

	Questions	Mean	t	df	Sig. (2-tailed)
Pair 1	Q8.1 – Q5.1	-0,11	-2,32	176,00	0,022
Pair 2	Q8.2 – Q5.6	0,03	0,46	176,00	0,648
Pair 3	Q8.3 – Q5.7	-0,06	-0,91	176,00	0,366
Pair 4	Q8.4 – Q5.8	0,06	0,08	176,00	0,934

6.2.5. Experiment: changes in purchase behavior

As previously explained, the first part of the Experiment in the questionnaire involved asking respondents to read the description of a product and answer two questions regarding their opinion towards the product and the brand which sold the product. The two questions were Question 18.1 (“How likely are you to buy this product?”) and 18.2 (“How likely are you to buy other products from this company?”). The answers were collected on a scale from 1 (“Not likely at all”) to 10 (“Extremely likely”). The results of the overall sample for this part of the experiment can be seen in Tables 7. Respondents seem to be slightly more likely to buy the product showed to them than other products of the brand (mean 6,98 against 6,69).

Table 7 - Descriptive statistics of Questions 18

Question	Q18.1	Q18.2
Mean	6,98	6,69
Std. Deviation	1,98	1,89

In the second phase of the Experiment, respondents were randomly assigned to one of two groups, and were then exposed to different treatments, represented by the content of the news article they read. After reading it, respondents were asked the same two questions they were asked in the first part of the Experiment (Questions 23), and are asked an additional set of questions (Questions 24), aimed at understanding how the opinion towards the company changes between treatments. To preliminarily

understand whether the treatment variable exerted an effect on the measurements, a Pearson's Chi-Squared Test was employed. The results (p-value = 0.000, please see Appendix 12) show that indeed the answers to questions 23 are not independent of the treatment variable.

The results to Questions 23.1 and 23.2, are presented for the two separate groups (S and NS, as described previously) in Table 8.1, and the Independent Samples T-tests performed to assess the significance of the difference of opinions between the groups are shown in Table 8.2 (both below). We can see that the average likelihoods of both purchasing the product as well as other products sold by the company are higher for respondents in group S, and both differences are statistically significant. Specifically, average likelihood of purchasing the product is 4,65 for group NS and 7,3 for group S ($t = 9,08$; p-value = 0,000). Similarly, average likelihood of purchasing other products is 4,19 for group NS and 7,13 for group S ($t = 9,77$; p-value = 0,000). As shown by Levene's Test for Equality of Variances ($F = 0,279$, p-value = 0,598 for Q23.1 and $F = 0,015$, p-value = 0,901 for Q23.2), the assumption of equal variances is not violated, which reduces the likelihood of the results seen happening by chance (Type I error) and this is further confirmed by the previously reported Pearson's Chi-Squared Test. The significant difference between the two groups supports H4 that Portuguese Millennials prefer companies in the food industry that engage in sustainability practices beyond sourcing their ingredients sustainably.

Table 8.1 - Descriptive Statistics for Questions 23

Question	Groups	Mean	Std. Deviation
Q23.1	NS	4,65	1,93
	S	7,30	1,96
Q23.2	NS	4,19	1,98
	S	7,13	2,03

Table 8.2 - Independent Samples T-test for Questions 23.1 and 23.2

Question	Levene's Test		T-test for Equality of Means		
	F	Sig.	t	df	Sig. (2-tailed)
Q23.1	0,28	0,598	9,08	175,000	0,000
Q23.2	0,02	0,901	9,77	175,000	0,000

To assess the within-subjects results of the experiment, for each group a Paired Samples T-test was conducted between the answers to Questions 18 and 23. This test was aimed at verifying whether the information respondents were exposed to changed the likelihood of purchasing the product as well as other products from the company. The results are presented in Tables 9.1 and 9.2 for each group. For both experimental groups, the difference between the means (to see the full tables, please refer to Appendix 16 and 17) of the pre- and post-treatment measures is statistically significant, which means that access to the information expressed in the treatment influenced respondents' likelihood of purchasing the company's products. Furthermore, it seems that the effect was higher for respondents in group NS than for those in group S (means of paired differences of -2,67 and -2,71 and 9,67 and 0,65, respectively). These results seem to support H5a, as the between-subjects part of the experiment indeed shows that the effect of information regarding the company's sustainability practices beyond sustainable production is statistically significant. Furthermore, H5b and H5c are also supported, as the positive treatment presented a positive and significant change in likelihood of purchasing other products from the brand, while the negative treatment present a significant and negative change.

Table 9.1 - Paired Samples T-test for Group NS

Questions	Paired Differences				
	Mean	Std. Deviation	t	df	Sig. (2-tailed)
Pair 1 Q23.1 - Q18.1	-2,67	2,06	-12,33	90	0,000
Pair 2 Q23.2 - Q18.2	-2,71	2,41	-10,74	90	0,000

Table 9.2 - Paired Samples T-test for Group S

Questions	Paired Differences				
	Mean	Std. Deviation	t	df	Sig. (2-tailed)
Pair 1 Q23.1 - Q18.1	0,67	1,05	5,92	85	0,000
Pair 2 Q23.2 - Q18.2	0,65	1,08	5,58	85	0,000

Question 24 was aimed at understanding more deeply whether information regarding the company's sustainability practices affected respondents' opinion towards the company. The results of the answers to each sentence and differentiated by experimental groups are shown below in Table 10.1. Independent Sample T-tests were

also performed between the two experimental groups. These results are presented in Table 10.2, where it is possible to see that all differences are statistically significant. In other words, for all sentences the level of agreement is statistically different between the two groups. Again, the Pearson's Chi-Squared Test was employed, and the results (p-value = 0.000 for all questions, please see Appendix 12) show that for each Question 24, the two variables (treatment and measurement) are not independent.

The question most agreed with on average by respondents in group NS was Q24.3 (“SOHA only wants to improve its reputation among consumers.”) with mean 4,05 and standard deviation 0,81, while the most disagreed with on average was Q24.2 (“I identify myself with SOHA.”), with mean 2,32 and standard deviation 1,01. On the other hand, for respondents in group S the question most agreed with on average was Q24.4 (“SOHA engages in sustainability practices.”) with mean 4,4 and a comparatively low standard deviation of 0,66 (which indicates homogeneity of opinions among respondents), while the question with which respondents disagreed the most with on average was Q24.7 (“I would never buy products from company SOHA.”), with mean 1,83 and standard deviation 1,1. It is important to state how both groups differed in the classification of each sentence, as this translates into their opinion about the company SOHA after being exposed to different treatments and is the core of the primary research performed in this Thesis. Respondents of group S agree to a higher degree than those of group NS with sentences Q24.1 (“SOHA is a sustainable company.”), Q24.2 (“I identify myself with SOHA.”), Q24.4 (“SOHA engages in sustainability practices.”), Q24.5 (“SOHA sells organic products because it is built on sustainability values.”) and Q24.6 (“I would recommend SOHA’s products to friends and family”). Conversely, the sentences with which respondents in group NS agree to a greater degree than those of group S are Q24.3 (“SOHA only wants to improve its reputation among consumers.”), Q24.7 (“I would never buy products from company SOHA.”) and Q24.8 (“SOHA only sells organic products to appeal a certain segment of consumers.”).

The significant difference in the results to Question 24.1 (“SOHA is a sustainable company.”) between the two groups seems to support H3, where the researcher

hypothesized that Portuguese Millennials believe that sustainability encompasses more than just selling products that are sourced sustainably. In both groups, the company presented engaged in sustainability production, and the difference was in practices beyond production. Indeed, group NS seems to agree to a significant lesser degree that SOHA is a sustainable company, which suggests that the attribution of this quality to a company in the minds of consumers is driven by more than a simply engaging in sustainable production.

Table 10.1 - Descriptive statistics for Questions 24

Group		Q24.1	Q24.2	Q24.3	Q24.4	Q24.5	Q24.6	Q24.7	Q24.8
NS	Mean	2,60	2,32	4,05	2,63	2,46	2,63	2,69	3,60
	Std. Deviation	1,15	1,01	0,81	1,08	1,17	1,06	1,06	0,92
S	Mean	4,43	3,93	2,84	4,40	4,07	3,92	1,83	2,72
	Std. Deviation	0,58	0,86	1,23	0,66	0,72	0,81	1,10	1,12

Table 10.2 - Independent Samples T-tests for Questions 24

Question	t	df	Sig. (2-tailed)
Q24.1	13,387	135,049	0,000
Q24.2	11,424	173,356	0,000
Q24.3	-7,757	145,878	0,000
Q24.4	13,238	149,659	0,000
Q24.5	11,116	150,656	0,000
Q24.6	9,117	168,078	0,000
Q24.7	-5,341	175,000	0,000
Q24.8	-5,711	164,272	0,000

Furthermore, the results seem to support both H6a (“For the food industry, Portuguese Millennials are loyal to companies whose values are in line with those of sustainability.”) and H6b (“For the food industry, Portuguese Millennials punish companies whose values are not line with those of sustainability, even if its products are sourced sustainably.”). Respondents in group S agreed to far greater extent that SOHA is a sustainably company (Q24.1) built on sustainability values (Q.24.5) than those in group NS. Additionally, they were more likely not only to purchase the product presented and other products from the company, but also to recommend SOHA to friends and family (Q24.6). As such, H6a seems to be supported. Conversely, respondents in group NS seem to agree to a greater extend that SOHA only sells organic

products to appeal certain consumers (Q24.8), which makes them believe the company is not sustainable nor built on sustainability values. As a result, likelihood of purchase the product presented and other products from the company, as well as recommending SOHA's products to friends and family was lower than those of group S, which seems to support H6b. Below is a table with the summary of the hypothesis testing.

Table 11 - Summary of Hypothesis Testing

Component studied	Hypothesis	Description	Results
The role of business in society	H1	Portuguese Millennials believe that the role of business in society goes beyond making a profit.	Supported
Sustainability in business	H2a	Portuguese Millennials believe that companies in general should engage in sustainability practices.	Supported
Sustainability in the food industry	H2b	Portuguese Millennials believe that companies in the food industry particularly should engage in sustainability practices.	Not supported
	H3	Portuguese Millennials believe that sustainability encompasses more than just selling products that are sourced sustainably.	Supported
	H4	Portuguese Millennials prefer companies in the food industry that engage in sustainability practices beyond sourcing their ingredients sustainably (i.e., organic ingredients).	Supported
Experiment: changes in purchase behavior	H5a	For the food industry, knowledge of a company's sustainability practices influences Portuguese Millennials' likelihood of purchasing the company's products	Supported
	H5b	For the food industry, knowledge of engagement in sustainability practices positively influences Portuguese Millennials' likelihood of purchasing the company's products.	Supported
	H5c	For the food industry, knowledge of lack of engagement in sustainability practices negatively influences Portuguese Millennials' likelihood of purchasing the company's products.	Supported
	H6a	For the food industry, Portuguese Millennials are loyal to companies whose values are in line with those of sustainability.	Supported
	H6b	For the food industry, Portuguese Millennials punish companies whose values are not line with those of sustainability, even if its products are sourced sustainably.	Supported

7. Discussion

7.1. Discussion

Broadly, the findings of the present research suggest that within the food industry, Portuguese Millennials are influenced by knowledge of a company's sustainability practices, and that this generational cohort tends to punish companies when it is

perceived by them that the values on which the company is built are not in line with those of sustainability, even if the company optimizes its production to comply with official sustainable guidelines (i.e., organic production).

Answering the research questions directly, the findings suggest that Portuguese Millennials (roughly 75% of the sample) believe that the role of business in society should be to contribute with value, and only then generate profit (RQ1). Accordingly, they believe that the companies' responsibilities should go beyond an exclusive concern for shareholders' interests. Furthermore, Portuguese Millennials seem to believe that companies should indeed engage in sustainability practices, an opinion that seems to be homogenous across this generational cohort. These notions are in line with research previously conducted on American Millennials. However, Portuguese Millennials' willingness to purchase and pay more for products offered by companies that engage in sustainability practices is below what was expected. The opinion of Portuguese Millennials regarding business sustainability does not seem to be different for the food industry specifically (RQ2), when compared to business in general. Actually, Portuguese Millennials do not believe that companies in the food industry particularly should engage in sustainability practices, but rather all companies in general, regardless of the industry they are inserted in, should. Willingness to purchase or pay for products offered by companies who engage in sustainability practices does not seem to differ particularly for the food industry either.

In sum, while Portuguese Millennials do believe that companies in general should engage in sustainability practices and care for more than just shareholders' interest (i.e. making a profit), this group of consumers does not yet seem to be willing to pay a share of the costs incurred by companies of engaging in this type of practices. This can be a result of the price sensitivity these consumers show, which was uncovered not only in the quantitative research conducted but also highly repeated in the qualitative research (as companies who engage in sustainability practices tend to price their products higher).

Answering RQ3, the findings suggest that, for a company in the food industry that engages in sustainable production, knowledge of its sustainability practices affects

Portuguese Millennials' opinion regarding the company's sustainable characteristics, their identification with the company and their beliefs regarding motivation behind engagement in sustainable production. This opinion then affects their willingness to purchase products from the company. Specifically, knowledge that a company engages in sustainable practices (beyond production methods) contributes to Portuguese Millennials forming an opinion that the company is indeed sustainable and that it sells sustainable products because it is built on sustainability values, which in turn increases this segments' identification with the company, willingness to buy the company's products and recommend them to friends and family. On the contrary, knowledge that a company does not engage in such practices even if it does comply with guidelines for sustainable production methods makes Portuguese Millennials believe that the company only does so to attract certain consumers who value such products or to improve reputation among consumers, and therefore the company's values are not built on sustainability. Importantly, these consumers do not perceive this company to be *sustainable*. As a result, the segment at study does not identify itself with this company and punishes it through a decreased willingness to purchase its products and not recommending it to friends and family. Indeed, more than benefiting companies which incorporate sustainability values, this segment punishes those who are not but try to communicate so.

The opinions Portuguese Millennials develop about a company's sustainability values thus influence their behavior towards the company. As such, it is not enough for these consumers that companies in the food industry develop sustainable production methods. If they come across information that makes them believe that a company does not possess sustainability values, their willingness to purchase the company's products will decrease. In other words, for Portuguese Millennials sustainability should be a part of the company's Corporate Culture, not simply something that the company "does", and thus they demand that companies who make sustainability a part of their brand image should be built on these values (RQ4).

Overall, Portuguese Millennials do not seem willing to pay more for companies' sustainability practices, yet they believe that companies should engage in such

practices. However, what seems to matter for Portuguese Millennials is not only whether companies comply with norms and guidelines for sustainable production, in the food industry specifically, but rather their own judgement about a companies' sustainability values. This segment of consumers will act on information they come across regarding companies' engagement in sustainability practices other than production methods, making judgments about the set of values a company's is built on and acting according to it. Indeed, they seem to punish, through lack of brand loyalty (i.e., not purchasing the company's products and not recommending them to friends and family), companies which they believe are not built on sustainability values, even if they do engage in sustainable production.

7.2. Implications

This research presents important implications both theoretical and practical. For the academic field, this Thesis adds to research on Portuguese Millennials and their views of business, corporate sustainability and how these influence brand loyalty. Specifically, the findings propose that Portuguese Millennials are similar to American Millennials in their beliefs that companies in general should "give back to society" and more specifically should engage in sustainability practices. However, the two groups are dissimilar in their willingness to pay a share of the cost of developing such practices.

For managers, this research is significant in several ways, due to both the potential this segment of consumers has and its complex brand loyalty behavior (Gurau, 2012; Schawbel, 2015). First, it suggests that Millennials in Portugal believe that companies should engage in sustainability practices. This is important in that it should incentivize companies to think about their impact in society and what they can do to improve it. Secondly, information that consumers encounter regarding a company's engagement in sustainability practices seems to influence consumers' opinion about the company's motives behind building sustainable production methods. Indeed, managers should take into consideration what information is being transmitted by third parties, especially news coverages about the company's practices (Einwiller, Carroll, & Korn, 2010). Lastly, it appears that this segment of consumers cares not only that companies in the

food industry develop production systems based on sustainability but that these companies are built on a Corporate Culture that values sustainability. More importantly, the findings suggest that Portuguese Millennials act upon their opinions regarding company's Corporate Culture and sustainability values, punishing those companies whose sustainability practices are purely performance-driven or stakeholder driven (Ellen, Webb, & Mohr, 2006). As such, managers in the food industry should take into consideration that becoming sustainable should not be only a matter of optimizing the value chain, but rather that values of sustainability should be a part of the company's Corporate Culture and value system.

7.3. Limitations

It is relevant to mention that the present research has several limitations. First and foremost, the research was limited by resource and geographical constraints. Accordingly, it was not possible, for instance, to conduct a large amount and variety of in-depth interviews to enrich qualitative data. Regarding the qualitative data collection, this was not the only limitation. As the interviews were conducted in a language (Portuguese) different from the one in which the Thesis was written, some meaning could have gone lost in the translation of the discussion.

There are also limitations regarding quantitative data collection. First, it was not possible to select a random sample from the desired population, and the sample from which data was collected was biased in the demographic dimension. Specifically, a very high percentage of the sample was born between 1990 and 1995, was a student and had an income level between 500€ and 999€. Furthermore, the size of the final sample, composed by 177 respondents, may be considered small. As such, generalization of the findings to the population of Portuguese Millennials, born between 1980 and 2000, may be compromised. Secondly, the collection method is also entitled to some limitations. While an online survey questionnaire allows for fast data collection, the researcher is not able to control (or observe) the environment and effort that the respondents put into it. Finally, the measures of respondents' likelihood of purchase and the collection of their opinion is limited by the method chosen, which involved asking respondents to imagine hypothetical situation and reporting what they

would do, and there may be differences between how respondents say they would behave and how they actually would. As a result, generalization of the findings may be further compromised.

8. Conclusion

Companies should undoubtedly keep an eye on Millennial consumers. This up-and-coming powerful segment brings promises of changing the way businesses do business: it is not enough to *try* to please them, as they are attracted by what a company *is*, not what it *does*. So how can managers attract and retain a segment that has been criticized for being one of the most complex regarding their brand loyalty behavior? Given this segment's concern for society and the environment, engaging in sustainable production methods seems like a good idea. And it is. However, the present research suggests that for the Portuguese food industry, Millennials will punish companies if they perceive that the driver behind such practices is purely performance driven. They pay attention to the world around them and want to buy from companies they can trust. For this reason, managers should be careful to not try and "keep appearances". Indeed, sustainability should come from "within" and start at the core of the company, and be treated not as another value chain optimization. The best policy is honesty: build your company from a culture of sustainability values, engage with the community and give back, and this frivolous new segment will be your best customer.

Appendices

Appendix 1: In-depth Interview Guidelines

INTRODUCTION

Thank you very much for agreeing to do this interview. Your participation is really appreciated.

This interview is an important part of the research I am currently doing for my Master Thesis. For this, the questions are directed at understanding your opinions and behavior as a consumer, and will be specifically focused on a certain industry. This interview will be structured in three main parts concerning different topics, however the topics covered on each part may overlap. It is expected that the interview will last no longer than 90 minutes.

Please be assured that all your answers are confidential and will be used only for the purpose of this research. There are no right or wrong answers, as I am interested only in your opinion and your way of viewing the world. Please answer each question however you find appropriate and elaborate as much as you wish.

Thank you very much once again for your willingness to participate.

PART I - CONSUMER BEHAVIOUR AND BRAND SELECTION

1. Which are your favorite brands or companies as a consumer? Why?
2. Why do you buy from certain brands and not others?
3. Please think about the food industry (i.e., food products that you buy at the supermarket - or other stores - to consume at home). What is one brand that you buy regularly from? Why?

What is your favorite brand in this industry? Why?

(Note to interviewer: find out if there is a distinction between the two concepts "frequency of buy" and "brand love/identity" and why)

4. Imagine that there are two of your favorite food products in the shelf, but they belong to different brands. What makes you choose one brand over the other?
5. Imagine that there are two of your favorite food products in the shelf; they belong to different brands but are both for the same price. What makes you choose one brand over the other?
6. What do you look for when you are buying food products?

(Note to interviewer: if organic products are mentioned, go straight to PART III and then back to PART II.)

PART II - PERCEPTION OF BUSINESS SUSTAINABILITY

7. What do you believe is the primary role of business?
8. What do you believe are the main effects of companies in society?
9. What do you believe are the main positive effects of companies in society?
10. Do you believe companies should engage in sustainability practices? Why should they/shouldn't they?
11. Do you believe companies in the food industry engage in sustainability practices?

PART II - PERCEPTION OF SUSTAINABILITY IN THE FOOD INDUSTRY

12. Are you familiar with organic (or "biological") products?

Organic products are those that contain ingredients deriving from organic agriculture, which is a production system that sustains the health of soils, ecosystems and people. This type of agriculture relies on ecological processes, biodiversity and cycles adapted to local conditions, and there is a restriction to the use of certain pesticides and fertilizers in farming. Naturally occurring pesticides may be used, however synthetic fertilizers and pesticides (which are used in conventional methods of agriculture) are generally prohibited in this type of agriculture, as these may have adverse effects for both consumers and the environment.

13. Do you buy from brands that sell these kinds of products? Why/why not?
14. Why do you think companies produce organic food products? (i.e., what are the benefits of these products vs conventional ones for the companies)
15. Why do you think consumers buy organic food products? (i.e., what are the benefits of these products vs conventional ones for consumers)

CONCLUSION

Do you have any additional comments?

This concludes our interview. Thank you very much for your participation.

Appendix 2: Demographic description of interviewees

	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4
Gender	Female	Female	Male	Male
Year of birth	1994	1991	1994	1994
Occupation	Student	Worker	Student	Worker

Appendix 3: Survey Questionnaire

Dear participant,

Thank you very much for answering this survey. Your participation is truly appreciated.

My name is Mariana and I am a Master student at Católica-Lisbon School of Business and Economics. The answers you provide are an important part of the research I am currently doing for my Master Thesis. The survey is composed by 3 parts and it is expected that each part will last no longer than 2 minutes.

The questions in the survey are directed at understanding your opinions and behavior as a consumer. It is very important that you read very carefully the instructions provided to you throughout the survey and answer the questions accordingly.

Please be assured that all your answers are anonymous and confidential and will be used only for the purpose of this research. There are no right or wrong answers, as I am interested only in your opinion and your way of viewing the world.

Thank you once again for your willingness to participate.

Q2. In which year were you born?

PART I – ROLE OF BUSINESS IN SOCIETY

Q3. What do you believe are the two most important roles of a company/business?

- Generate profit
- Provide jobs
- Contribute with value to society
- Develop the community in which it is engaged
- Sell products/services
- Other:

Please read the following text carefully and attentively.

A sustainable corporation pays attention not just to short-term gains but also focuses on the long-term aspects of their businesses, by protecting as much as possible the

interests of anyone who is affected by the company's operations. There are three dimensions of sustainability, namely economic, social and environmental. Companies may engage in several types of activities to ensure the sustainability of their operations, regardless of the industry in which they operate in. For instance, a company may improve its supply chain to comply with sustainability standards. It may also develop or support projects in which the final goal is to improve some aspect of the social or ecological environments in which the company is inserted in.

For a concrete example of one of the many activities companies may engage in, the company Sonae contributes to several social projects (Luta Contra a Fome, Combate ao Desperdício Alimentar, among others) through its Missão Continente (<https://missao.continente.pt/noticias-eventos/missao-continente-os-resultados-2016-sao-francamente-positivos>). This would be an example of social sustainability practices.

Q5. Please rate from 1 (Completely disagree) to 5 (Completely agree) how much you agree with each of the following sentence:

Sentence	1	2	3	4	5
Q5.1 Companies in general should engage in sustainability practices.					
Q5.2 Engaging in sustainability practices is an irresponsible use of shareholders' money.					
Q5.3 Companies only engage in sustainability practices to improve their reputation among consumers.					
Q5.4 Companies' responsibility goes beyond an exclusive concern for their shareholders' interests					
Q5.5 Finding solutions for social problems is the responsibility of governments and NGOs, not companies.					
Q5.6 I am willing to pay more for products or services sold by companies who engage in sustainability practices.					
Q5.7 I will choose a product from a sustainable company even when there are cheaper alternatives available.					
Q5.8 I will not buy a product/service from a company that does not engage in sustainable practices.					

PART II – CONSUMER BEHAVIOUR AND BRAND SELECTION IN THE FOOD INDUSTRY

I now ask you to focus on the food industry, and more specifically on those products that you usually buy at the supermarket or similar stores for you or your family to

consume. That is, please answer the following questions having in mind the food products that you purchase at the supermarkets.

Q7. When choosing between brands, please rate, from 1 (Not important at all) to 5 (Extremely important), the importance of each of the following product attributes:

Sentence	1	2	3	4	5
Q7.1 Price					
Q7.2 Quality of the product					
Q7.3 Price/quality relationship					
Q7.4 Identification with the brand					
Q7.5 Packaging/appearance					
Q7.6 Ingredients					
Q7.7 Source of ingredients (e.g. organic, non-GMO, fair trade, etc)					
Q7.8 Familiar brand (i.e., a brand that you know and usually buy)					

Q8. Please rate from 1 (Completely disagree) to 5 (Completely agree) how much you agree with the following sentence:

Sentence	1	2	3	4	5
Q8.1 Companies in the food industry particularly should engage in sustainability practices.					
Q8.2 I am willing to pay premium for food products of companies that engage in sustainable activities.					
Q8.3 I will choose a food product from a sustainable company even when there are cheaper alternatives available.					
Q8.4 I would never buy a food product from a company that does not engage in sustainable practices.					

Q9. Are you familiar with organic (or “biological”) products? Yes No

[Show the description regardless of the answer]

Organic products are those that contain ingredients deriving from organic agriculture, which is a production system that ensures the sustainability the health of soils, ecosystems and people. This type of agriculture relies on ecological processes, biodiversity and cycles adapted to local conditions, and there is a restriction to the use of certain pesticides and fertilizers in farming. Naturally occurring pesticides may be used, however synthetic fertilizers and pesticides (which are used in conventional methods of agriculture) are generally prohibited in this type of agriculture, as these may have adverse effects for both consumers and the environment.

Q11. How frequently do you buy this kind of products?

- I have never bought this kind of products
- Rarely
- Sometimes
- Frequently
- I only buy this type of products

Q12. Now I ask you to read the following text, which describes a hypothetical situation. Please imagine the situation that will be described to you and answer according to what you believe your actions would be if the situation was real. You are shopping in the supermarket you usually shop at and come across the following product. Please read the description carefully, and assume that you consume and usually buy this product category at the supermarket.



SOHA is committed to offering ethically purchased and responsibly produced sustainable products of the highest quality. We work together with farmers to help improve coffee quality and ensure social and environmental best practices for coffee-growing communities.

This way, we make sure that every cup of coffee embodies a sustainable, high quality, great tasting experience.

Based on the product and description, please answer the following questions on a scale from 1 (Not likely at all) to 10 (Extremely likely):

Q18.1. How likely are you to buy this product?

Q18.2. How likely are you to buy other products from this company?

T21: NS and S, respectively [*Randomize the following 2 question between two groups of respondents*]

Notícias Diárias

AS SUAS NOTÍCIAS FAVORITAS

Edição nº 125 | Abril 2017

SOHA's products and production methods comply with organic and sustainability standards provided by ECOCERT (entity for control and certification of organic production). SOHA's employees have reported that the company does not, nor does it encourage employees to, practice environmentally friendly actions in its daily life, such as recycling or developing programs to save water in the canteen for its employees.



Moreover, aside from complying with organic and sustainability standards in the industry, the company has never engaged in any type of initiatives nor supported any projects developed by other entities to develop sustainability practices in local communities or the environment.

Notícias Diárias

AS SUAS NOTÍCIAS FAVORITAS

Edição nº 125 | Abril 2017

SOHA's products and production methods comply with organic and sustainability standards provided by ECOCERT (entity for control and certification of organic production). SOHA's employees have reported that the company engages and encourages employee engagement in environmentally friendly practices in their daily lives, such as recycling or developing programs to save water in the canteen for its employees.



Moreover, aside from complying with organic and sustainability standards in the industry, the company frequently engages in initiatives and also supports projects developed by other entities to develop sustainability practices in local communities or the environment.

Based on the product and your knowledge about the company, please answer the following questions on a scale from 1 (Not likely at all) to 10 (Extremely likely):

Q23.1 How likely are you to buy this product?

Q23.2. How likely are you to buy other products from this company?

Q24. Please rate from 1 (Completely disagree) to 5 (Completely agree) how much you agree with each of the following sentences regarding company X.

Sentence	1	2	3	4	5
Q24.1 SOHA is a sustainable company.					
Q24.2 I identify myself with SOHA.					
Q24.3 SOHA only wants to improve its reputation among consumers.					
Q24.4 SOHA engages in sustainability practices.					
Q24.5 SOHA sells organic products because it is built on sustainability values.					
Q24.6 I would recommend SOHA's products to friends and family.					
Q24.7 I would never buy products from company SOHA.					
Q24.8 SOHA only sells organic products to appeal a certain segment of consumers.					

PART III – PSYCHOGRAPHICS AND LIFESTYLE

We are getting to the end of the survey. The following questions are directed at knowing a little bit more about you and your general opinions and behavior.

Q26. Please rate from 1 (Completely disagree) to 5 (Completely agree) how much you agree with each of the following sentences:

Sentence	1	2	3	4	5
Q26.1 I care about the environment.					
Q26.2 I watch what I eat.					
Q26.3 I always buy the same brands.					
Q26.4 I recycle.					
Q26.5 I like to know how the products/ingredients I buy are sourced.					
Q26.6 I like to try new brands.					
Q26.7 I am very concerned about my health.					
Q26.8 I try to save water around the house					
Q26.9 I make food choices based on my health.					
Q26.10 I follow a healthy lifestyle.					
Q26.11 I believe in sustainability.					

Last questions! Please answer the following questions so I can know more about you.

Q28. What is your gender? Male Female

Q29. Occupation:

- Student
- Working student
- Employed

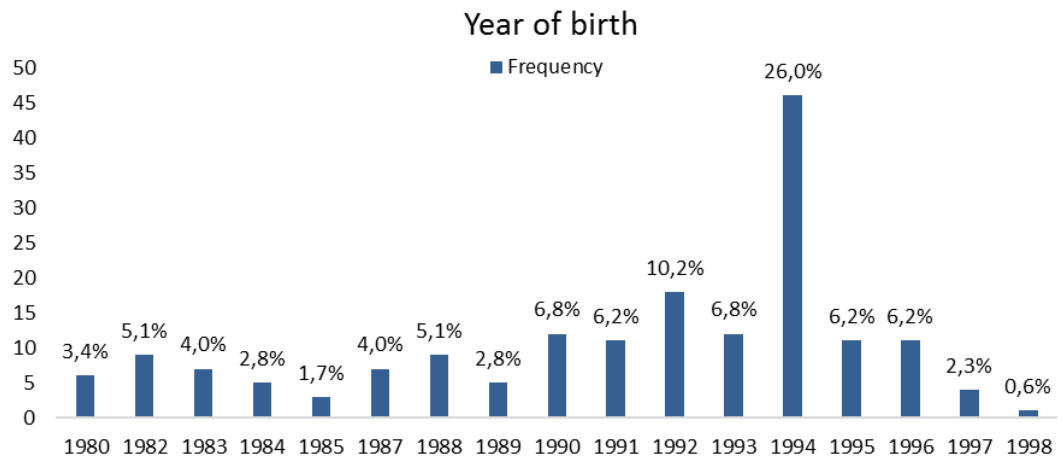
- Unemployed
- Retired

Q30. What is your personal income level (including allowance):

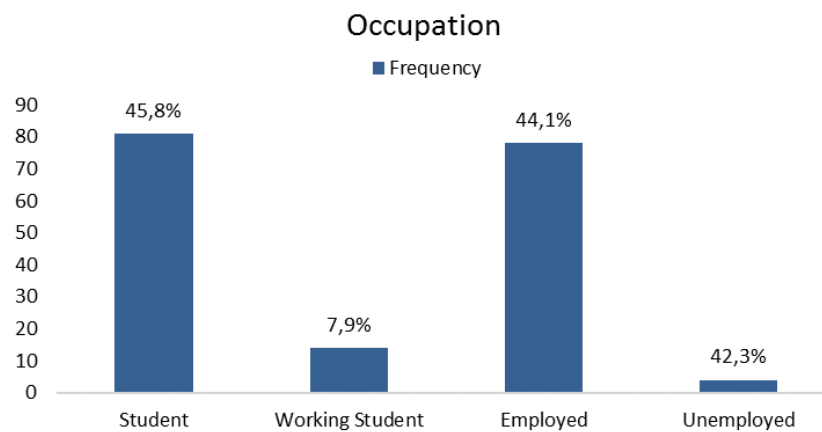
- < 500€
- 500€ – 999€
- 1000€ – 1499€
- 1500€ – 2000€
- > 2000€

Appendix 4: Demographic Questions

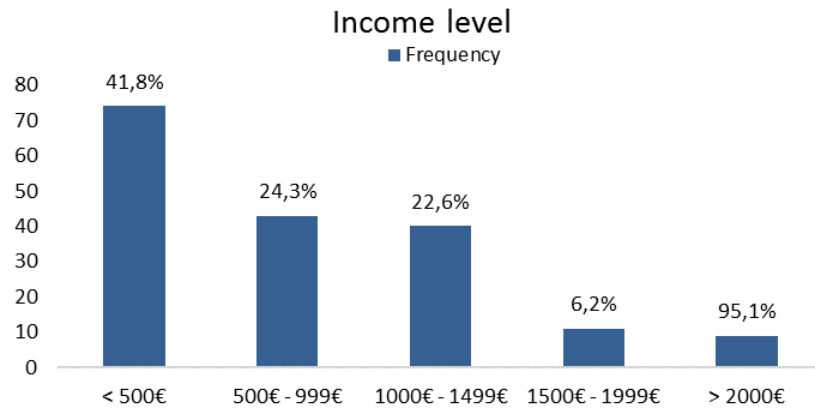
Appendix 4.1: Year of birth distribution of respondents (Q2)



Appendix 4.2: Occupation distribution of respondents (Q29)

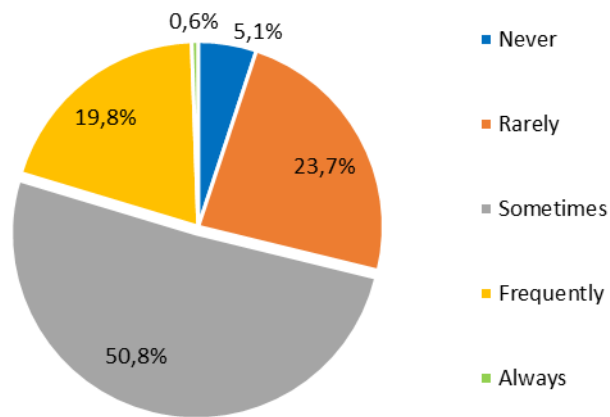


Appendix 4.3: Income level distribution of respondents (Q30)



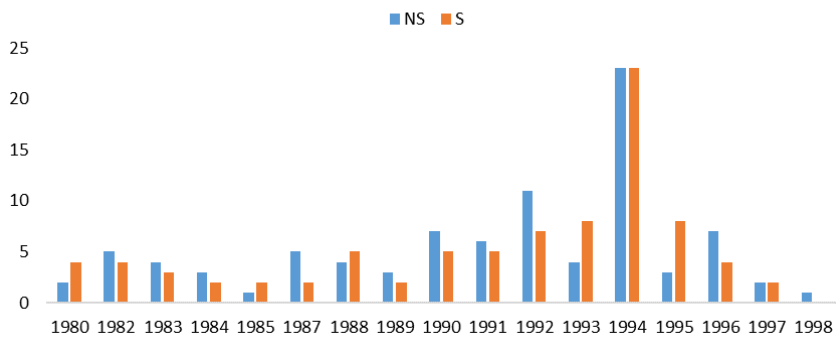
Appendix 5: Distribution of Frequency of purchase of organic products

Frequency of purchase of organic products

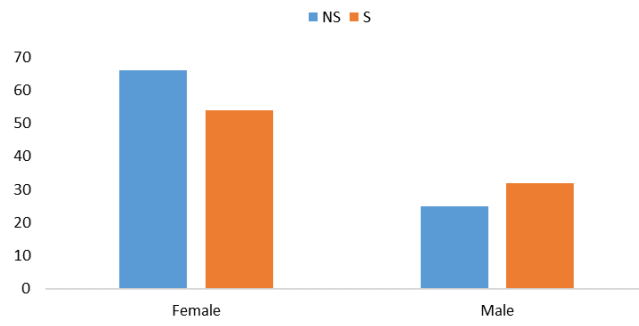


Appendix 6: Distribution of demographic Questions by Experimental group

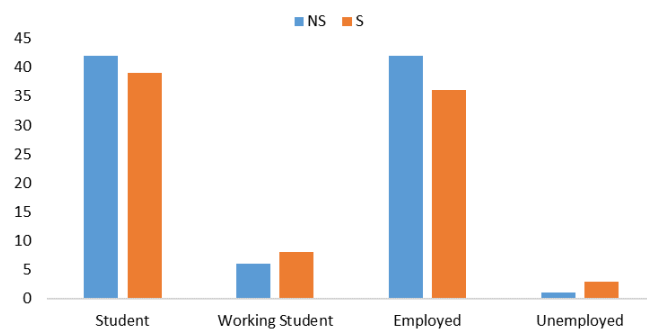
Year of birth by Experimental group



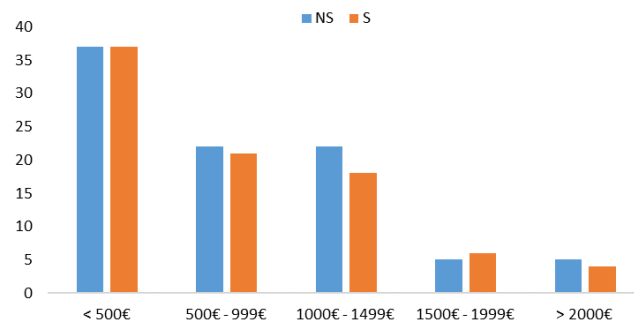
Gender by Experimental group



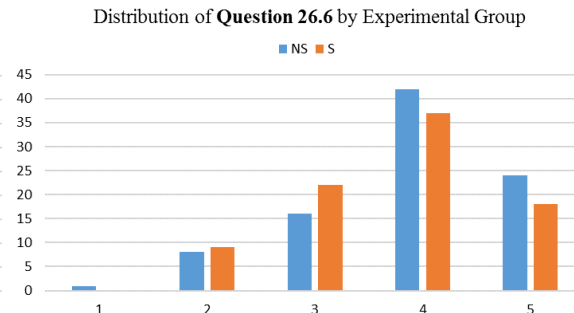
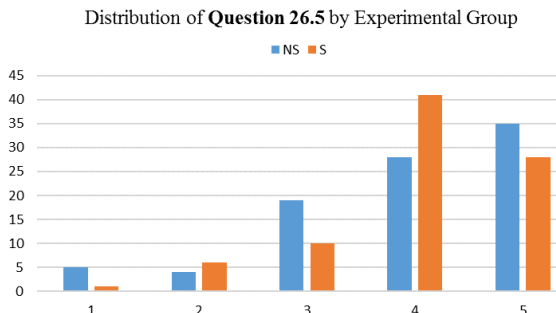
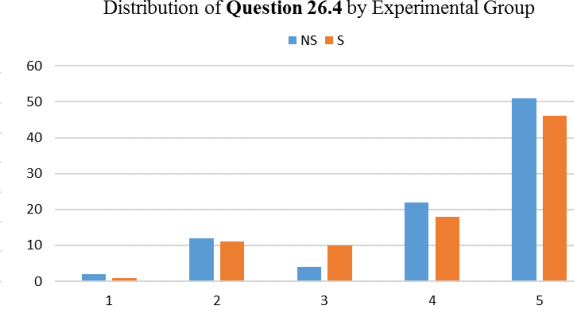
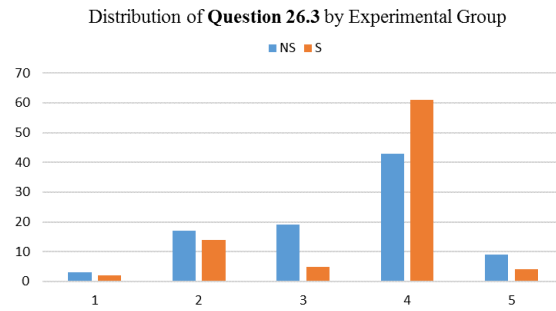
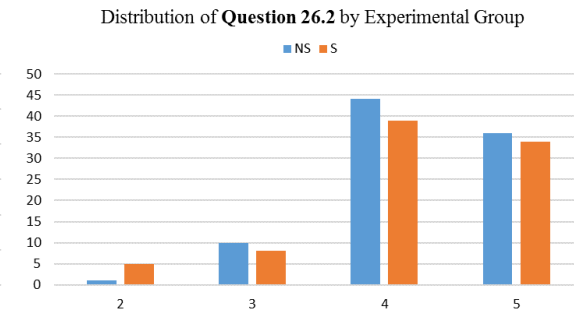
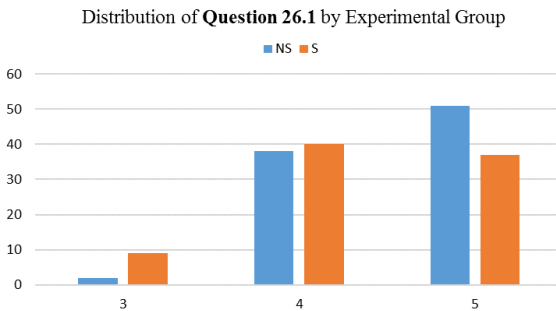
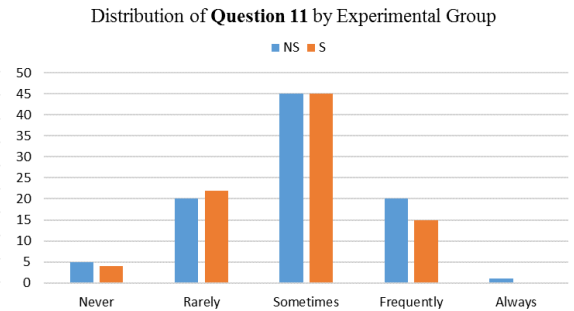
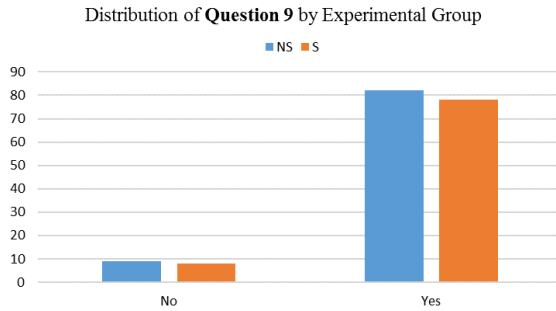
Occupation by Experimental group

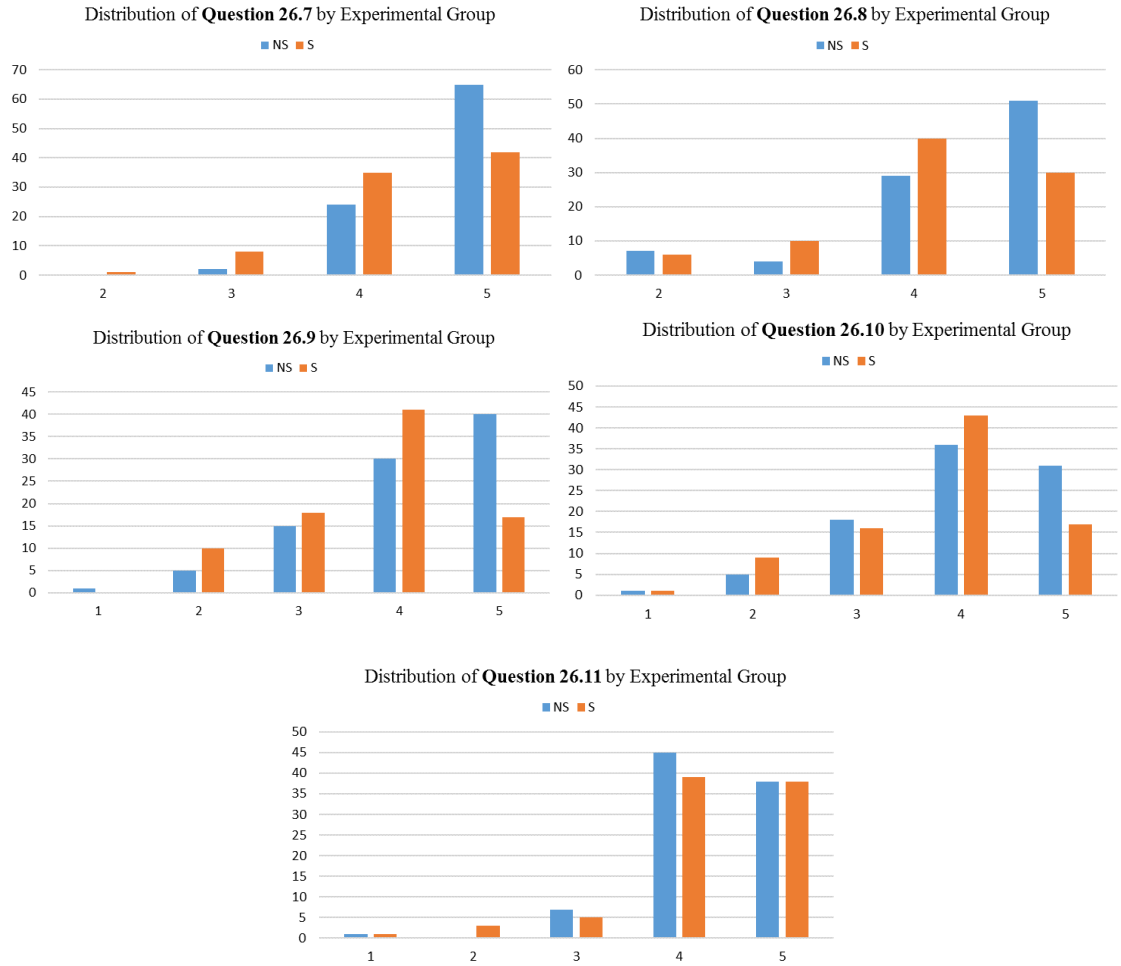


Income level by Experimental group



Appendix 7: Distribution of Psychographic Questions (Q9, Q11 and Q26) by experimental group





Appendix 8: Mann – Whitney U tests

Question	Mann-Whitney U	Asymp. Sig. (2-tailed)
Q2	3806	0,753
Q5.1	3270,5	0,014
Q5.2	3815	0,729
Q5.3	3781,5	0,679
Q5.4	3849	0,837
Q5.5	3768,5	0,653
Q5.6	3582	0,301
Q5.7	3631	0,381
Q5.8	3881	0,922
Q7.1	3515	0,179
Q7.2	3871	0,879
Q7.3	3462	0,100
Q7.4	3899	0,965
Q7.5	3624	0,370

Q7.6	3821	0,764
Q7.7	3780,5	0,671
Q7.8	3725,5	0,512
Q8.1	3682	0,411
Q8.2	3461	0,148
Q8.3	3808,5	0,749
Q8.4	3711,5	0,538
Q9	3890	0,895
Q28	3532	0,167
Q29	3783	0,671
Q30	3807,5	0,744

Appendix 9: Descriptive statistics of Questions 5, 7, 8 and 26.

Question	N	Minimum	Maximum	Mean	Std. Deviation
Q5.1 Companies in general should engage in sustainability practices.	177	3	5	4,73	0,46
Q5.2 Engaging in sustainability practices is an irresponsible use of shareholders' money.	177	1	5	1,49	0,83
Q5.3 Companies only engage in sustainability practices to improve their reputation among consumers.	177	1	5	3,14	1,11
Q5.4 Companies' responsibility goes beyond an exclusive concern for their shareholders' interests.	177	1	5	4,31	0,82
Q5.5 Finding solutions for social problems is the responsibility of governments and NGOs, not companies.	177	1	5	1,99	1,03
Q5.6 I am willing to pay more for products or services sold by companies who engage in sustainability practices.	177	1	5	3,66	1,06
Q5.7 I will choose a product from a sustainable company even when there are cheaper alternatives available.	177	1	5	3,24	1,04
Q5.8 I will not buy a product/service from a company that does not engage in sustainable practices.	177	1	5	2,49	1,05

Q7.1 Price	177	1	5	4,28	0,66
Q7.2 Quality of the product	177	3	5	4,67	0,49
Q7.3 Price/quality relationship	177	3	5	4,67	0,51
Q7.4 Identification with the brand	177	1	5	3,53	0,92
Q7.5 Packaging/appearance	177	1	5	3,15	1,01
Q7.6 Ingredients	177	2	5	4,34	0,72
Q7.7 Source of ingredients	177	1	5	3,75	0,91
Q7.8 Familiar Brand	177	2	5	3,98	0,73
Q8.1 Companies in the food industry particularly should engage in sustainability practices.	177	1	5	4,62	0,59
Q8.2 I am willing to pay premium for food products of companies that engage in sustainable activities.	177	1	5	3,69	0,95
Q8.3 I will choose a food product from a sustainable company even when there are cheaper alternatives available.	177	1	5	3,18	1,04
Q8.4 I would never buy a food product from a company that does not engage in sustainable practices.	177	1	5	2,50	1,05
Q26.1 I care about the environment.	177	3	5	4,44	0,61
Q26.2 I watch what I eat.	177	2	5	4,23	0,76
Q26.3 I always buy the same brands.	177	1	5	3,50	0,96
Q26.4 I recycle.	177	1	5	4,16	1,13
Q26.5 I like to know how the products/ingredients I buy are sourced.	177	1	5	3,98	1,03
Q26.6 I like to try new brands.	177	1	5	3,81	0,93
Q26.7 I am very concerned about my health.	177	2	5	4,54	0,63

Q26.8 I try to save water around the house.	177	2	5	4,23	0,88
Q26.9 I make food choices based on my health.	177	1	5	3,95	0,95
Q26.10 I follow a healthy lifestyle.	177	1	5	3,89	0,93
Q26.11 I believe in sustainability	177	1	5	4,29	0,76

Appendix 10: Paired Samples T test between Questions 5 and 8

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Q8.1 & Q5.1	177	0,332	0,000
Pair 2	Q8.2 & Q5.6	177	0,332	0,000
Pair 3	Q8.3 & Q5.7	177	0,332	0,000
Pair 4	Q8.4 & Q5.8	177	0,332	0,000

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error	95% C. I. of the Difference				
					Lower	Upper			
Pair 1	Q8.1 - Q5.1	-0,11	0,62	0,05	-0,20	-0,02	-2,32	176	0,022
Pair 2	Q8.2 - Q5.6	0,03	0,82	0,06	-0,09	0,15	0,46	176	0,648
Pair 3	Q8.3 - Q5.7	-0,06	0,91	0,07	-0,20	0,07	-0,91	176	0,366
Pair 4	Q8.4 - Q5.8	0,01	0,91	0,07	-0,13	0,14	0,08	176	0,934

Appendix 11: Distribution and descriptive statistics of Questions 18

Distribution of answers

Question		1	2	3	4	5	6	7	8	9	10
Q18.1 How likely are you to buy this product?	Frequency	3	4	4	7	19	24	31	49	23	13
	Percent	1,69%	2,26%	2,26%	3,95%	10,73%	13,56%	17,51%	27,68%	12,99%	7,34%
Q18.2 How likely are you to buy other products from this company?	Frequency	3	4	4	4	29	30	40	36	17	10
	Percent	1,69%	2,26%	2,26%	2,26%	16,38%	16,95%	22,60%	20,34%	9,60%	5,65%

Descriptive Statistics

Question	N	Minimum	Maximum	Mean	Std. Deviation
Q18.1	177	1	10	6,98	1,98
Q18.2	177	1	10	6,69	1,89

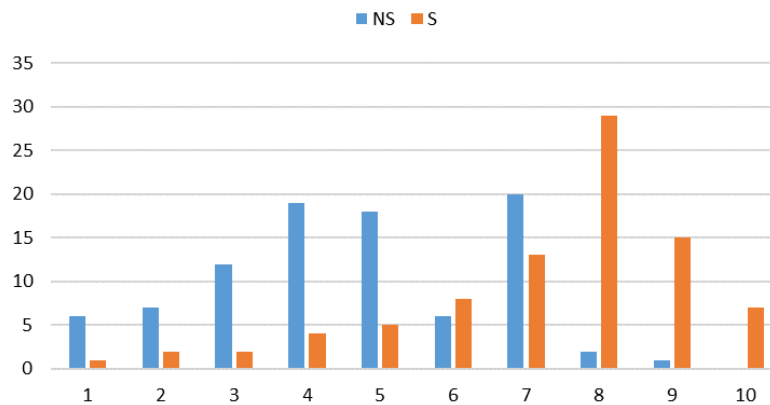
Appendix 12: Pearson Chi-Square Test on Questions 23.1 and 23.2

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	75,08 ^a	9	0,000
Likelihood Ratio	87,44	9	0,000
N of Valid Cases	177		

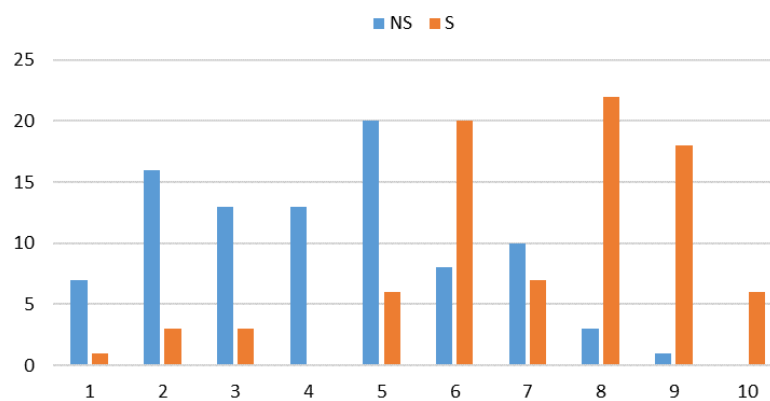
a. 6 cells (30,0%) have expected count less than 5. The minimum expected count is 3,40.

Appendix 13: Distribution of answers to Question 23 by Experimental group

Distribution of **Question 23.1** by Experimental Group



Distribution of **Question 23.2** by Experimental Group



Appendix 14: Descriptive statistics of Questions 23 and 24 by Experimental group

Question	Group	N	Mean	Std. Deviation	Std. Error Mean
Q23.1 How likely are you to buy this product?	NS	91	4,65	1,93	0,202
	S	86	7,30	1,96	0,211
Q23.2 How likely are you to buy other products from this company?	NS	91	4,19	1,98	0,207
	S	86	7,13	2,03	0,219
Q24.1 SOHA is a sustainable company.	S	86	4,43	0,58	0,063
	NS	91	2,60	1,15	0,121
Q24.2 I identify myself with SOHA.	S	86	3,93	0,86	0,093
	NS	91	2,32	1,01	0,106
Q24.3 SOHA only wants to improve its reputation among consumers.	S	86	2,84	1,23	0,132
	NS	91	4,05	0,81	0,085
Q24.4 SOHA engages in sustainability practices.	S	86	4,40	0,66	0,071
	NS	91	2,63	1,08	0,113
Q24.5 SOHA sells organic products because it is built on sustainability values.	S	86	4,07	0,72	0,077
	NS	91	2,46	1,17	0,122
Q24.6 I would recommend SOHA's products to friends and family.	S	86	3,92	0,81	0,088
	NS	91	2,63	1,06	0,111
Q24.7 I would never buy products from company SOHA.	S	86	1,83	1,10	0,118
	NS	91	2,69	1,06	0,111
Q24.8 SOHA only sells organic products to appeal a certain segment of consumers.	S	86	2,72	1,12	0,121
	NS	91	3,60	0,92	0,096

Appendix 15: Independent Samples T-test on Questions 23.1 and 23.2 between Experimental groups

Question	Levene's Test for Equality of Variances		T-test for Equality of Means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% C. I. of the Difference		
								Lower	Upper	
Q23.1	*	0,28	0,598	9,08	175	0,000	2,65	0,29	2,08	3,23
	**			9,08	174,1	0,000	2,65	0,29	2,08	3,23
Q23.2	*	0,02	0,901	9,77	175	0,000	2,94	0,30	2,35	3,54
	**			9,76	173,8	0,000	2,94	0,30	2,35	3,54

*: Equal variances assumed

**: Equal variance not assumed

Appendix 16: Paired Samples T-test between Questions 18 and 23 for Group NS

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Q23.1	6,65	91	1,93	0,20
	Q18.1	7,32	91	1,93	0,20
Pair 2	Q23.2	4,19	91	1,98	0,21
	Q18.2	6,90	91	1,99	0,11

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% C. I. of the Difference				
					Lower	Upper			
Pair 1	Q23.1 – Q18.1	-2,67	2,07	0,22	-3,10	-2,24	-12,33	90	0,000
Pair 2	Q23.2 – Q18.2	-2,71	2,41	0,25	-3,22	-3,22	-10,75	90	0,000

Appendix 17: Paired Samples T-test between Questions 18 and 23 for Group S

Paired Samples Statistics

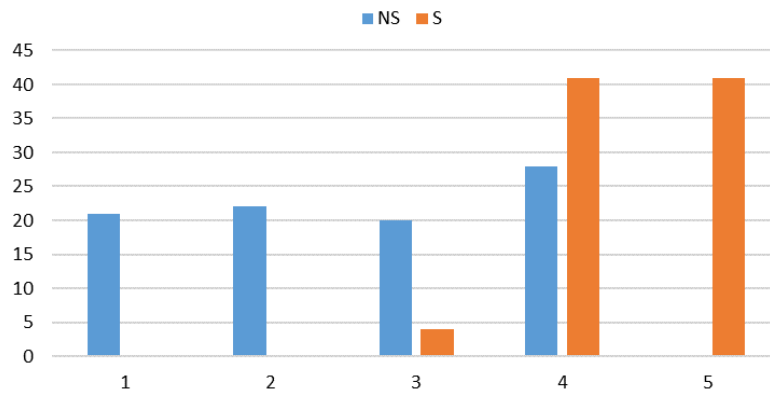
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Q23.1	7,30	86	1,96	0,21
	Q18.1	6,63	86	1,99	0,22
Pair 2	Q23.2	7,13	86	2,03	0,22
	Q18.2	6,48	86	1,77	0,19

Paired Samples Test

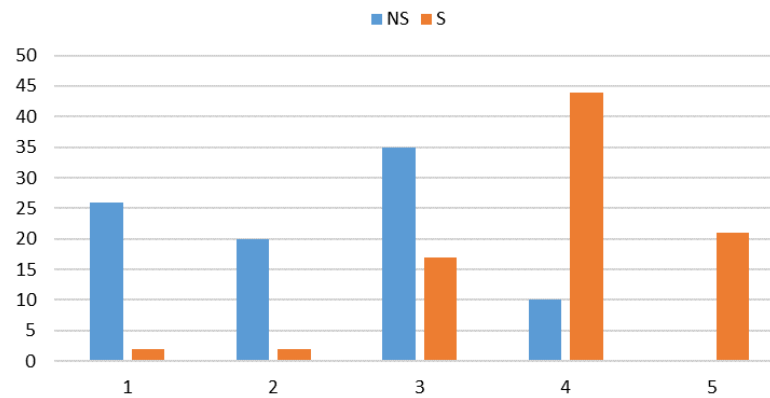
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error	95% C. I. of the Difference				
					Lower	Upper			
Pair 1	Q23.1 – Q18.1	0,67	1,06	0,11	0,45	0,90	5,92	85	0,000
Pair 2	Q23.2 – Q18.2	0,65	1,08	0,12	0,42	0,88	5,58	85	0,000

Appendix 18: Distribution of answers to Questions 24 by Experimental group

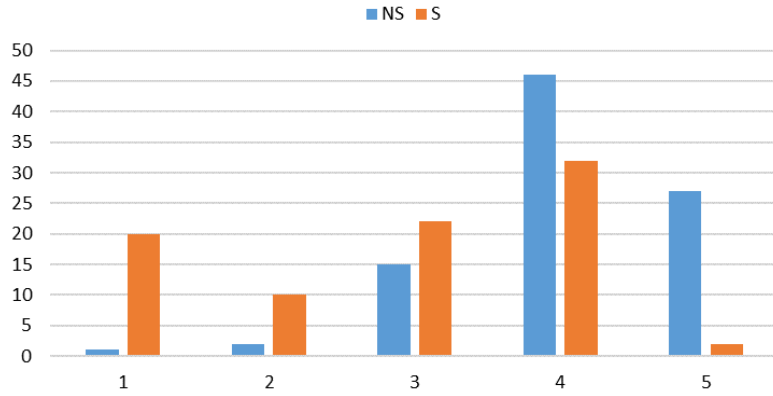
Distribution of **Question 24.1** by Experimental Group



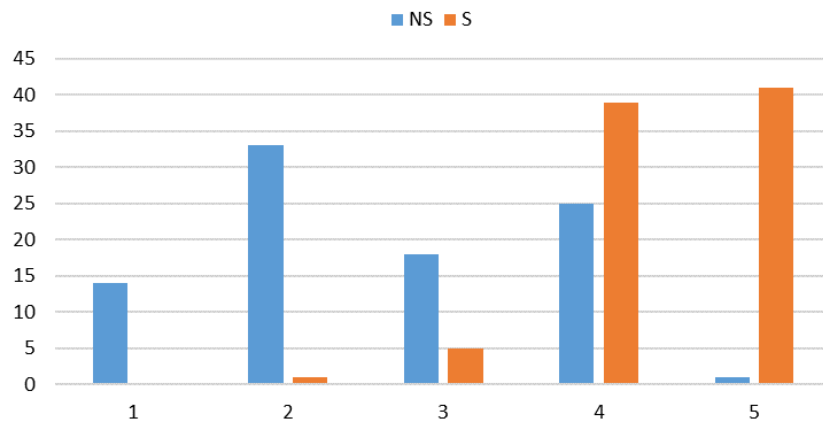
Distribution of **Question 24.2** by Experimental Group



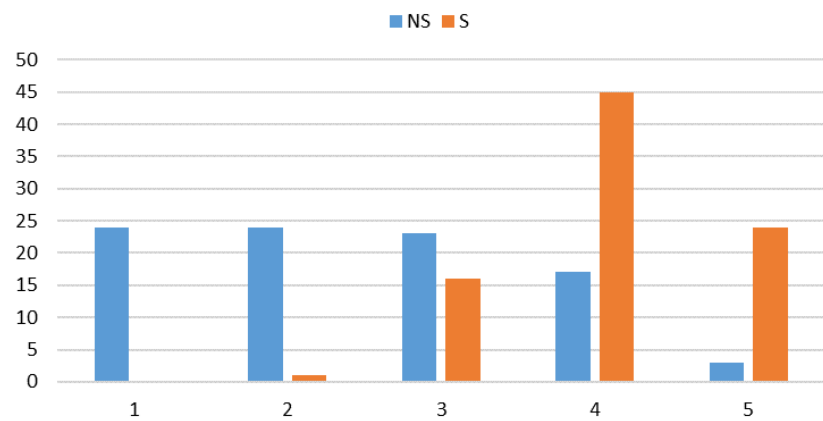
Distribution of **Question 24.3** by Experimental Group



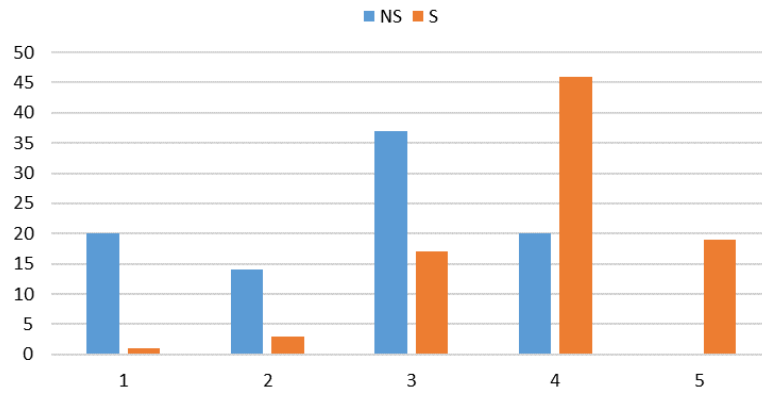
Distribution of **Question 24.4** by Experimental Group



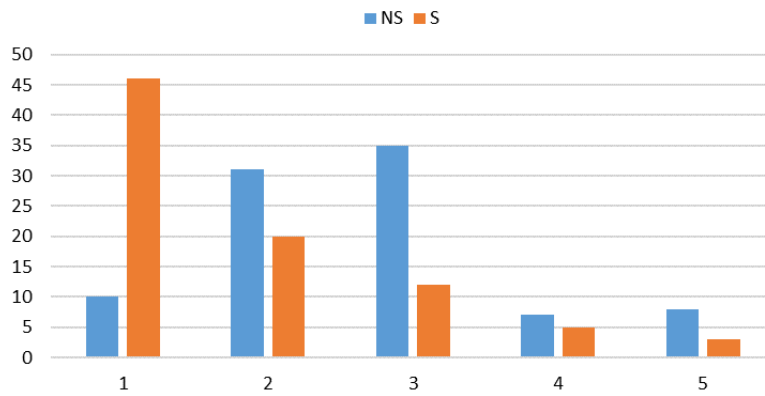
Distribution of **Question 24.5** by Experimental Group



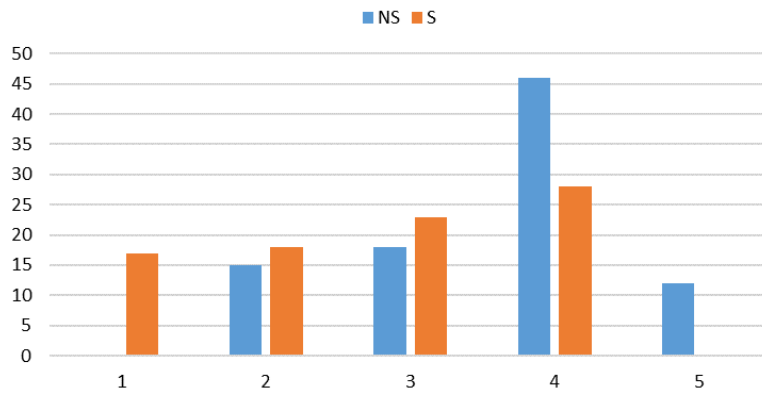
Distribution of **Question 24.6** by Experimental Group



Distribution of **Question 24.7** by Experimental Group



Distribution of **Question 24.8** by Experimental Group



Appendix 19: Independent Samples T-test on Questions 24 between Experimental groups

Question	Levene's Test for Equality of Variances		T-test for Equality of Means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% C. I. of the Difference		
								Lower	Upper	
Q24.1	*	70,20	0,000	13,17	175	0,000	1,83	0,14	1,55	2,10
	**			13,39	135,1	0,000	1,83	0,14	1,56	2,10
Q24.2	*	13,28	0,000	11,37	175	0,000	1,61	0,14	1,33	1,89
	**			11,42	173,36	0,000	1,61	0,14	1,33	1,89
Q24.3	*	29,23	0,000	-7,84	175,0	0,00	-1,22	0,16	-1,52	-0,91
	**			-7,76	145,9	0,00	-1,22	0,16	-1,53	-0,91
Q24.4	*	36,49	0,000	13,06	175,0	0,00	1,77	0,14	1,50	2,04
	**			13,24	149,7	0,00	1,77	0,13	1,50	2,03
Q24.5	*	38,42	0,000	10,97	175,0	0,00	1,61	0,15	1,32	1,90
	**			11,12	150,7	0,00	1,61	0,14	1,32	1,89
Q24.6	*	16,43	0,000	9,05	175,0	0,00	1,29	0,14	1,01	1,57
	**			9,12	168,1	0,00	1,29	0,14	1,01	1,57
Q24.7	*	0,17	0,682	-5,34	175,0	0,00	-0,87	0,16	-1,19	-0,55
	**			-5,34	173,6	0,00	-0,87	0,16	-1,19	-0,55
Q24.8	*	7,64	0,008	-5,74	175,0	0,00	-0,88	0,15	-1,19	-0,58
	**			-5,71	164,3	0,00	-0,88	0,15	-1,19	-0,58

*: Equal variances assumed

**: Equal variance not assumed

Appendix 20: Preliminary Thesis Report

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BI Norwegian Business School – Preliminary Thesis Report
Master of Science in Business

**– Millennial consumers shape
Corporate Culture towards
Sustainability –**

The case of the food industry in Portugal

Exam Code and Name:

GRA 1952 Preliminary Thesis Report

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Debbie Harrison

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1. Introduction

In recent times scholars have emphasized the need for a change in the perceptions that society as well as managers themselves have regarding the role of business in society (Ghoshal, Bartlett, and Moran, 1999; Scherer and Palazzo, 2007; Porter and Kramer, 2011). While profit is the ultimate goal of a company, there is a lot that companies can do to ensure that its profitability is sustainable or to “give back” to society. One way for companies to do so is to develop policies for Corporate Sustainability (CS), which attempt to fight some of the challenges that humanity currently faces, social, environmental or economic.

A growing number of companies are showing concern for this issue and developing strategies that follow an approach of sustainability (Haanaes et al., 2012). Such examples may be old companies, such as Coca-Cola or Starbucks and more recent ones, such as eBay or Google (Bisk) In the consumer industry, companies such as Unilever and Nestle have made it to the top of the Dow Jones Sustainability Index (Industry Group Leaders 2016). The latter, for instance, has made its own goal to make the cocoa industry sustainable (The Guardian, 2016).

Many reasons may drive companies to adopting sustainable practices, one of which is the pressure exerted by its customers (Elkington, 1994). However, it may also be the case that a company simply wants to do it (Van Marrewijk, 2003), as an act deriving from the company’s own culture and values. What will be investigated in this Thesis is evidence of the relationship between these two drivers, specifically for companies within the food industry in Portugal. Given Millennial consumers’ concern for the environment and their complex brand loyalty behavior, I want to understand what values a company must possess in order to attract this consumer segment.

2. Research Objective

The research objective of the thesis is to understand what are the attitudes and behaviors towards Corporate Sustainability of Millennial consumers in Portugal and analyze what

makes these opinions relevant for the culture of companies in the food industry within the country. To explore this subject, the following research questions were asked:

RQ1: What is the Portuguese Millennials' view of the role of business in society?

RQ2: What are these consumers' opinions towards companies selling or producing organic food?

RQ3: What makes these opinions shape the culture and set of values of the companies within the food industry?

3. Literature Review

3.1. Corporate Sustainability and Business Performance in the Food Industry

Corporate Sustainability and Business Performance

Dyllick and Hockerts (2002) defined corporate sustainability as “meeting the needs of a firm’s direct and indirect stakeholders (...) without compromising its ability to meet the needs of future stakeholders as well” (p. 131). A sustainable corporation pays attention not just to short-term gains but also focuses on the long-term aspects of their businesses. According to the authors, there are three dimensions of sustainability: economic, social and environmental. While all three components of sustainability are of very important, the two latter will be the most interesting for this thesis. Social sustainability refers to adding value to the communities within which a company operates, while environmental sustainability refers to the company’s usage of natural resources, which should fall below the natural rate of production, as well as controlling for harmful emissions and the degradation of eco-systems that may be caused by its operations (Dyllick and Hockerts, 2002).

Policies for Corporate Sustainability, then, affect the environments (natural and social) in which they are developed, and thus society as a whole may benefit from them. Nevertheless, the companies that employ them should also financially benefit from them, as performance is indeed the ultimate goal of business. There is a growing body of research outlining the relationship between the development of Corporate Sustainability policies and companies’ performance. For instance, Eccles, Ioannou and Serafim (2014) studied two groups of companies across several industries, those which

have developed such policies and made them a part of their business strategy and those who haven't (even if they do engage in some form of sustainability practices), finding that the first group outperformed the second.

Pullman, Maloni, and Carter (2009) did not find a direct relationship between the development of sustainability practices and cost performance, but did find an indirect and positive one.

Apart from a direct effect on business performance, there is also evidence that Moreover, CS policies may contribute to a positive image of companies or brands in the minds of consumers: Pivato, Misani, & Tencati (2008) showed that perception of corporate policies dealing with social responsibility in the organic food industry increases consumers' trust in these products.

It is undeniable, thus, that developing policies aiming for sustainability not only translates into a healthier society and natural environment but also reflects on companies' health. It may even present a competitive advantage (Pullman, Maloni, and Carter, 2009), and so this type of policies will continue to attract many companies across all industries. In fact, according to Elkington (1994) "successful companies will have little option but to get involved in this rapidly emerging area".

The Food Industry

Specifically for the food industry, sustainability is an issue that requires a lot of attention, especially regarding the environment. Companies on this sector rely on natural resources that will be affected by climate changes resulting from the industrialization of this sector (<https://www.ceres.org/resources/reports/physical-risks-from-climate-change>). Business sustainability in this industry, then, may take the form of products resulting from organically (or "farm") grown ingredients. According to the International Federation of Organic Agriculture Movements, organic agriculture can be defined as "a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic Agriculture combines tradition, innovation and science to benefit the shared environment and

promote fair relationships and a good quality of life for all involved” (IFOAM, 2005). Ingredients from this type of agriculture are not only healthier choices for the human body but also may prevent environmental devastation and specifically increase small farmers’ share of value (FAO).

3.2. Corporate Culture and Business Performance

In their study of the two groups of companies that differed in terms of their approach to sustainability processes, Eccles, Ioannou and Serafim (2014) found that the group which developed sustainability policies more extensively “had institutionalized them within and across the organization” (p. 4), which was a fundamental disparity with the second group. In other words, these companies made sustainability a part of their own culture, or the the “pattern of shared and stable beliefs and values that are developed within a company across time” (Gordon and DiTomaso, 1992).

How the culture of a company may influence its performance is a part of the Literature Review that I have not yet fully explored.

3.3. Millennials as Consumers and their view on Sustainability

According to Howe and Strauss (2007), there are currently six generations coexisting: the GI Generation, those born between 1901 and 1924; the Silent Generation, born between 1925 and 1942; the Boom Generation (commonly referred to as “Boomers”), born between 1943 and 1960; the Generation X, who were born between 1961 and 1981, the Millennials Generation, or the Millennials (often also referred to as Generation Y), born between 1982 and 2000, and the most recent generation, which the authors named the Homeland Generation, born between 2001 and 2025. While most authors agree on how many generations there are as well as their labels, some disparities can be found regarding their age intervals (Williams and Page, 2011; Oblinger, Oblinger, and Lippincott, 2005; Reeves and Oh, 2008; Howe and Strauss, 2007).

Strauss and Howe first introduced the Millennial Generation in 2000, calling it “the next great generation” (Strauss and Howe, 2000). According to the U.S. Census Bureau’s International Database, Millennials are 1,7 billion worldwide, comprising

one quarter of the world's population (Nielsen, 2016). This is the biggest generation since the Boomers (Smith, 2012). Currently aged between 16 and 36, Millennials are young adults starting their careers and growing their purchasing power, which is currently at USD 600 billion per year in the USA alone (Nielsen, 2015). Many authors suggest that the Millennials will set trends and shape the market (Strauss and Howe, 2000; Tapscott, 2009), and also see this generation as an attractive target for many consumer industries (Smith, 2012). But before understanding why this generation should be kept in mind by strategists in companies worldwide, it is necessary to understand who they are.

Millennials are extremely *technosavvy*; they trust the Internet and use it extensively as their primary source of information. This has had a major impact in their personality, but also in the way they see the world. They grew up in a world that was in a fast path towards globalization, and for this reason they tend to accept diversity as if there never was prejudice (Schewe et al. 2013). Compared to previous generations, they have high awareness of the world around them (Tapscott, 2009) and are, according to Tulgan and Martin (2001), "paving the way to a more open, tolerant society". Furthermore, Millennials show great concern for the environment and social responsibility issues (Barber, Taylor, and Dodd, 2009; Eastman, Iyer, & Thomas, 2013).

Millennials are a special segment of consumers, and one that needs to be understood: Barton, Koslow and Beauchamp (2014) denounced Millennials as the transformers consumer marketing, pointing to the fact that succeeding to attract this consumer segment will be critical for the success of companies in various categories.

Consumption-oriented and sophisticated shoppers, Millennials are confident in making purchasing decisions (Eastman, Iyer and Thomas, 2013). They don't trust ads, but rely heavily on the opinions of people like them. Moreover, they also want to share their own experiences with their networks (Smith, 2012), but will only advocate for brands if they trust them. Millennials are described as the most savvy, brand-sensitive group of consumers ever (Lukovitz, 2009). Research regarding how loyal this generation is to brands points toward a single direction: Millennials can be the

most loyal customers, provided they are treated right and their needs are met (Gurau, 2012; Schewe et al., 2013; Schawbel, 2015) but make one mistake, and they will not hesitate to turn their back. This complex loyal behavior is one that needs to be taken into account by companies in all industries, as their future survival might depend on whether they conquer this generation.

Millennials are also very interested in the story behind the products (Millennial Marketing, 2012; Hartman-Group, 2014) which has a link to their concern regarding the environment. This generation cares for more than how the products they use fit their lives; they also place value on how these products interact with the world. Because of the speed at which they are able to find information online, they can easily know how a product is made (Tapscott, 2009). For this reason, it is discussed in the Thesis that building brand loyalty among Millennials is about more than what a company communicates, as they will make decisions based on what the company *does*. They will look for companies they can trust, and avoid those that are dishonest or go against the values they believe in (Tapscott, 2009). In order to be able to conquer these consumers, then, corporate strategies should be built not only on good products, but also on a strong culture composed of good values. Honesty and integrity become, thus, the best policies (Tapscott, 2009)

A healthy lifestyle

Millennials, want a more balanced and healthy lifestyle, and believe they consume healthier, more natural and less processed than their parents (Millennial Marketing, 2012). Halperin (2012) describes Millennials as sensitive to animal welfare and interested in the local-food movement. For these reasons, this generation is said to be leading a broader movement toward natural, fresh, less processed food (Hartman-Group, 2014; Pinsker, 2015).

When shopping for groceries, Millennials tend to read labels more than previous generations, and are less persuaded by claims of “natural” and “low calorie” (Hartman-Group, 2014). A recent study by Nielsen (2015) found that this generation considers health attributes as very important, and 81% is willing to pay premium for

these same benefits. Moreover, and consistent with previous results, 75% are willing to pay extra for sustainable food product offerings (Nielsen, 2015). Kearney (2010) found that, in Europe, intent to buy sustainable food products is directly associated to consumer involvement with sustainability.

The concern Millennials show for their health and lifestyle as well as for the environment is thus a forecaster of their behavior towards the food industry. They want sustainable food products that are good for them but also for the environment, and are willing to spend more for such products.

3.4. Millennials and Business Sustainability

The concern this generation shows for society may be a powerful mediator of how they view companies' Sustainability policies. The Delloite study (2016) showed that this generation has positive views of businesses' role in society and want to contribute to this positive impact. McGlone, Spain and McGlone (2011) cite the Cone study (2008), which showed that 61% of Millennials feel personally responsible for making a difference in the world, and that the majority (79%) of Millennials want to work for a company that tries to contribute to society in a meaningful manner.

As consumers, Millennials expect organizations to act in accordance to the social values they claim (McGlone, Spain and McGlone, 2011). Moreover, as previously mentioned, this group of consumers tends to act on how they feel about a certain brand or product through their behavior, and so the perception these consumers have of the firm becomes critical (McGlone, Spain and McGlone, 2011).

4. Context

The choice of studying a particular country, Portugal, was made mostly out of convenience, as well as to enjoy the ties that I have with the country. Moreover, the sampling methods that will be used (discussed further) would result in a highly biased sample.

Portugal is a small Western European country with a population of slightly more than ten million people (INE, 2015) and a GDP per capita of USD 29 718 (OECD, 2015).

In the Portuguese food industry, there was a recent proliferation of brands as well as stores selling organic or biological products. Up to 2006 there was only one specialized store in the country, but nowadays the big supermarket chains already comprise an area dedicated to this type of products, which is growing (Expresso, 2016). Moreover, the two biggest chains have also developed private-labels for organically grown products and products targeting different types of diets.

Consumers are also taking part in this “green” movement within the industry. According to study by Nielsen, one third of Portuguese consumers report to take into account how much a company is involved with its community at the time of purchase. Additionally, according to the same study, 30% of consumers say that the environmental factor is a decisive one when purchasing products. We can thus see that in Portugal there has been some recent concern, mainly in the food industry, to provide consumers with sustainable alternatives to conventional products, and that even very traditional Portuguese companies are adopting such practices. What I am set to investigate is what makes Portuguese Millennial consumers a part of this turn.

5. Research Methodology

The research will derive from a combination of primary and secondary data. Secondary data is used to better define the research questions and hypothesis. It provides preliminary insights on theories and characteristics of the consumer segment at study, the Millennials. This data was collected through scientific papers, academic articles, industry journals and web pages on the internet.

Primary data will be collected by the means of both qualitative and quantitative research methods. Jick (1979) explained that the use of these two methods together, known as triangulation, is used to improve validity of results, as it allows researchers to benefit from the advantages of different methods. According to the author, triangulation can be of two kinds: "between methods", referring to the usage of two different research methods, and "within-method", which refers to the used of different techniques within one method. To gather robust results, in the Thesis both kinds of triangulation will be used. The first will be attained using both qualitative and

quantitative methods of research, as referred, while the second kind will be achieved by using different scales or indices to measure the same INFO within the quantitative methods (Jick, 1979).

5.1. Qualitative Research

The qualitative research developed will be mostly used to obtain information helpful in structuring the subsequent quantitative research, but it will possibly also be helpful to interpret quantitative results obtained afterwards, such as understanding underlying reasons and motivations of why certain opinions are held (Rossman & Wilsom, 1985).

Two methods for collection of qualitative data were contemplated, namely in-depth interviews and focus groups. The first allows for a more thorough gathering of individual information and is more appropriate to discuss sensitive matters, while the second benefits from interaction between participants (Ritchie et al., 2013). Applying both methods would, thus, be a type of “within method” triangulation, as previously referred, and would allow benefiting from the different advantages that each method presents. If time constraints were an issue, in this case focus groups would be preferred over in-depth interviews, as the matter to be discussed with participants is not sensitive and a focus group would permit some discussion between participants that would surely be beneficial for the research.

Given, however, the specific nature of the consumer segment studies, namely the Portuguese Millennials, there will be geographical constraints that may make it unfeasible for me to gather enough participants that will take part in a focus group. For this reason, the qualitative data collection will revolve around semi-structured in-depth interviews, mostly held by online video communication means, such as Skype or Whatsapp video calls. Given the characteristics of the segment, this method will not present any barriers to the data collection, as these consumers tend to be comfortable with the use of technology.

5.2. Quantitative Research

To collect quantitative data, a survey questionnaire will be developed. The survey questions will be entirely close-ended, and will be created in accordance with the specific information needed to answer the research questions. Moreover, the questions will be shaped by findings from the secondary data collection as well as data from the qualitative data collection. Several types of questions will be used to unveil the necessary information for analysis in order to answer research questions asked. The method for administering the survey will be an online questionnaire (using the platform *Qualtrics* – <https://www.qualtrics.com/>). Again, this method makes sense because of the characteristics of the target population. Moreover, it ensures a fast data collection that is easy and comfortable for respondents.

5.3. Sampling

To collect the quantitative data, the sampling technique to be used is convenience and snowball (where the elements of the sample are recruited from the network of the researcher and then from that of the respondents). These are both non-probability sampling techniques that allow for obtaining information quickly and inexpensively, which are major limitations appointed for this research. Specifically, the survey questionnaire will be distributed via e-mail and Facebook. As I am myself a part of the generation in study within the country in study, recruiting respondents from my own network results in a sample that is consistent with the population, even if clearly not random.

6. Tentative Plan

Given the nature of my program at BI Norwegian, I expect to conclude and deliver the Thesis by the end of May. As a result, the data collection will be condensed and accomplished in the next three months, followed by its analysis. As I have already covered a great part of the secondary research, for the rest of January I expect to polish the Literature Review and develop the Hypothesis.

In February I will develop the tools for the qualitative research. Specifically, I will write the guidelines for and conduct the in-depth interviews, which will be followed by a brief (preliminary) analysis of the data collected. This analysis will be ready by

March, when I will be developing the tools for the quantitative data collection. Once the survey questionnaire is ready, I will distribute it online, and it will be active, ideally, throughout the whole month of April. As soon as I collect enough responses, I will start analyzing the data gathered.

By May only the analysis of the data collected will be remaining, and so the whole month will be dedicated to it, as well as to the refinement of the whole thesis, which should be ready to deliver by the end of the month.

Below there is a table that provides a visual description of the tentative plan for the progress of the Thesis.

Activity	January	February	March	April	May	June
Small expansion and improvement of the Literature Review	X					
Development of Hypothesis	X					
Development of tools for Qualitative Data collection (interviews)		X				
Qualitative Data collection		X	X			
Preliminary Data Analysis			X			
Development of tools for Quantitative Data collection (survey questionnaire)			X	X		
Quantitative Data collection (survey is active during this time)				X		
Data Analysis				X	X	
Thesis completion					X	

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