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The Role of CSR in Influencing Consumer Willingness to Pay a Premium for Sustainable Products in the UK.

Dissertation Proposal

Master of Business Administration — LCMB7035 Dissertation

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AI Use Acknowledgement

I certify that I used generative AI tools to assist with limited and supportive proofreading, structuring and language refinement, in accordance with the requirements of UWTSD. The research and argument, the choice of sources and the referencing of these sources is my own work, and every cited source has been verified independently. The University's official AI Use Acknowledgement form has been completed and is attached to this submission.

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1. Introduction

1.1 Research Background

Sustainability has become an integral part of the competition in consumer markets of the United Kingdom (UK). Corporate social responsibility (CSR), defined as the voluntary incorporation of social and environmental issues into the business activities and relationships of the company (Carroll, 1991), is no longer a differentiating factor in the eyes of consumers but has become an expectation. Industry evidence suggests that approximately 80% of consumers are willing to pay more for products with sustainable production and give an average extra premium of about 9.7% (PwC, 2024) and Deloitte (2026) sees an increase in the maturity of consumers' demand for green products. The YouGov survey (2024) found strong, but varied enthusiasm for this amongst different age groups in the UK. However, there is often a gap between reported intent and actual sales, and companies often set the price for sustainable lines higher than consumers can bear. The question of whether and under which conditions CSR leads to a willingness to pay a premium (WTP) is thus of urgent practical and academic interest.

1.2 Research Rationale

Although a considerable body of literature exists on the relationship between CSR and purchase intention (Gong et al., 2023; Cuesta-Valiño et al., 2024), little is known about the monetary aspect of CSR – consumers' willingness to pay more for the product due to its firm's CSR. Many studies on WTP are based in Asian or Latin American settings (Shi and Jiang, 2023; Hu et al., 2024) and focus on the organic food market, with the wider sustainable products market less explored. Statista, 2024 data, found that price sensitivity is a key point to understand as the main reason UK shoppers are not sustainable purchasing is due to affordability. A UK-centred and quantitative study of the CSR-WTP relationship is timely evidence for marketers, policymakers, and sustainability managers who want to price and communicate responsibly when facing the twin pressures of cost of living and scepticism about environmental claims.

1.3 Research Aim

This study aims to examine the role of corporate social responsibility in influencing consumer willingness to pay a premium for sustainable products in the UK.

1.4 Research Objectives

1. To evaluate the extent to which consumers' perceptions of CSR influence their willingness to pay a premium for sustainable products in the UK.
2. To examine the mediating role of green trust in the relationship between perceived CSR and willingness to pay a premium.
3. To assess the moderating effect of perceived greenwashing on the relationship between CSR and willingness to pay a premium.
4. To recommend evidence-based CSR communication and pricing strategies for UK firms marketing sustainable products.

1.5 Research Questions

RQ1: To what extent do consumer perceptions of CSR influence willingness to pay a premium for sustainable products in the UK?

RQ2: How do green trust and perceived greenwashing shape the relationship between CSR and willingness to pay a premium?

2. Literature Review

2.1 Theoretical Framework

Three complementary theories are used in the study. Carroll's (1991) pyramid of CSR presents corporate responsibility on economic, legal, ethical and philanthropic aspects, which gives an understanding of the way in which the consumers judge the social behaviour of a firm. The stakeholder theory (Freeman, 2010) treats the consumers as the main stakeholders whose support is essential in the continuation of the company's survival, which is dependent on their perception of responsibility. First, in an information-asymmetric setting, signalling theory (Connelly et al., 2011) illustrates how CSR activities can be viewed as a credible signal of both firm and product quality that can warrant a price premium; Berger (2019) offers experimental evidence that green signalling increases WTP, while Erdem and Swait (1998) have demonstrated that brand equity itself is a market signal when information is asymmetric. The theory of planned behaviour (Ajzen, 1991) has been included as an overarching theory in the study that aligns with these perspectives, as it connects attitudes, subjective norms, and perceived behavioural control with WTP intentions (García-Salirrosas et al., 2023; Wang et al., 2026), shaping the behavioural framing of the study.

2.2 CSR and Consumer Perceptions

Consumers do not always react positively to CSR, and the response is not uniform, as it is influenced heavily by the perceived fit between an initiative and a company (Sen and Bhattacharya 2001). Recent studies further support that perceived CSR positively influences purchase intention via customer engagement, brand image, and brand admiration (Gong et al., 2023; Gupta et al., 2021; Cuesta-Valiño et al., 2024). Majeed et al., (2022) report that green brand image acts as a mediator between green marketing and purchase intentions, while Zhang and Ahmad, (2021) indicate that if the consumer awareness is high, the effect of CSR on purchase intentions will be greater. The findings from clothing and product-labelling contexts also indicate that there is a positive relationship between people's belief in authentic CSR and their purchase intent (Chan et al., 2025; Kolling et al., 2025). These in turn contribute to CSR being a powerful determinant of positive consumer feelings, although this study will not usually look singly at the price factor. The evidence is, however, not conclusive: Sen and Bhattacharya (2001) warn that when a firm's initiative is poorly

perceived to fit, it can elicit scepticism instead of support, and the impact of intention is often diminished once price is included as a decision cue (Kolling et al., 2025). This is further evidence in favor of studying willingness to pay as opposed to intentions alone.

2.3 Willingness to Pay a Premium for Sustainable Products

There are many studies that have started to tackle the question of premium WTP in a direct way. Nazarenko and Saleh (2024) theorise that the psychological pathways to premium WTP are perceptions of innovation, competitive advantage, and stakeholder orientation. Empirically, Shi and Jiang (2023) find that the influence of reference groups on premium WTP for green products exists, but it depends on the specific product type; the same for organic food (Munaqib et al., 2025; Hu et al., 2024; Yu et al., 2022) and green agriculture (Zheng et al., 2022). In all these studies, green perceived value and brand image emerge as a close factor that is driving the willingness to pay higher. Importantly, stated premiums are sensitive to product category, income and perceived personal benefit (Yu et al., 2022; Filip et al., 2025) and stated premiums are regularly higher than realised at point-of-sale. This variation suggests that the circumstances when a premium is generated – not just that it is generated – should be more closely modelled.

2.4 Green Trust, Greenwashing and the Attitude–Behaviour Gap

Trust is pivotal to the CSR–WTP relationship. Based on Borah et al. (2024), it can be concluded that green trust among consumers is a positive influence on younger consumers' purchasing intentions for green products, while greenwashing undermines consumers' trust and leads to a reduction in consumers' green purchasing intentions. This is related to the well-known attitude–behaviour (or value–action) gap, where positive attitudes for sustainability are not translated into purchases – often due to price and credibility constraints (Gomes et al., 2023; Duong, 2024). According to the signaling theory, the signal will be reinforced by credible and verifiable CSR information, and the signal will be weakened by the perception of greenwashing, which will consequently decrease WTP (Berger, 2019; Connelly et al., 2011). Drawing from the perspective of environment, Duong (2024) views the environmental CSR programs as a tool that can help reduce the gap between attitudinal, intended, and actual green consumption, but not necessarily bridge the gap. This puts perceived greenwashing in the role of moderator, because

it can cancel out the otherwise positive CSR signals, rather than being a peripheral issue.

2.5 Research Gaps

The review leads to three gaps. First, most of the premium-WTP research is undertaken in contexts outside of the UK or specific to food products, therefore not fully applicable to the sustainable-products market in the UK. Second, the mediating role of green trust and moderating role of greenwashing perceptions in the CSR – WTP relationship still has not been tested together in a model. Third, the recent evidence is more about the intention to purchase than the monetary premium per se. The aim of this study is to fill in these gaps with a focused, quantitative design in the UK.

2.6 Research Hypotheses and Framework

Drawing on the theoretical framework and reviewed evidence, three hypotheses are proposed:

H1: Perceived CSR positively influences willingness to pay a premium for sustainable products.

H2: Green trust mediates the relationship between perceived CSR and willingness to pay a premium.

H3: Perceived greenwashing negatively moderates the relationship between perceived CSR and willingness to pay a premium.

The conceptual framework is presented in Figure 1.

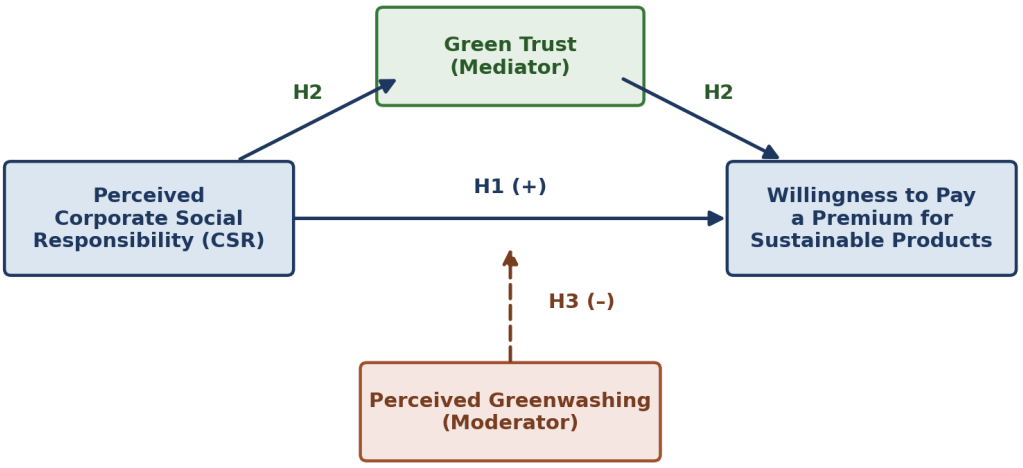


Figure 1. Conceptual framework of the study (Source: author's own, informed by Connelly et al., 2011; Ajzen, 1991; and Nazarenko and Saleh, 2024).

3. Research Methodology

The methodology is based on the “research onion” logic (Saunders, Lewis and Thornhill, 2023) which guides decisions from philosophy to data-collection techniques as illustrated in Figure 2.

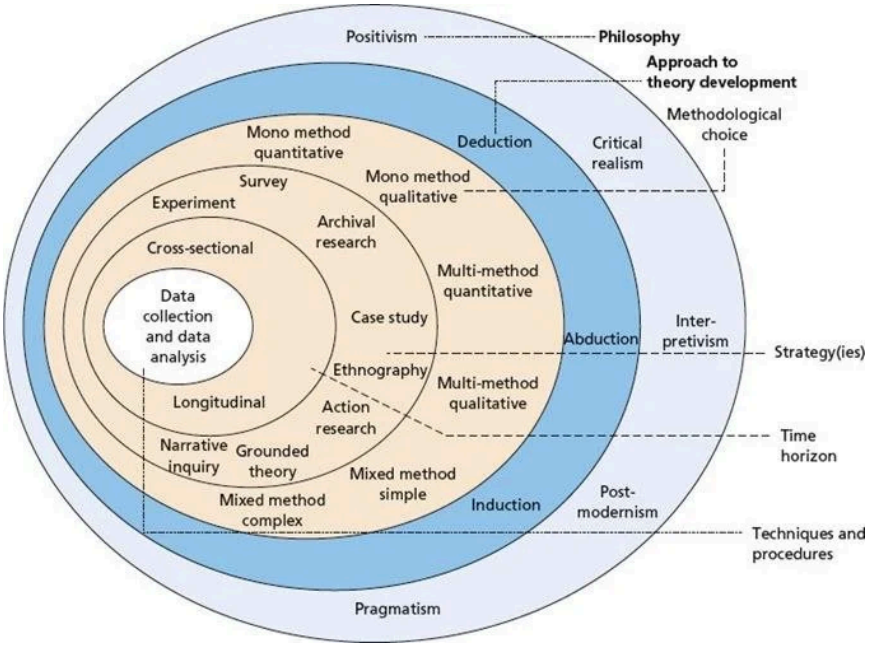


Figure 2. The research onion applied to this study (Source: adapted from Saunders, Lewis and Thornhill, 2023).

3.1 Research Philosophy: Positivism

This study uses a positivist philosophy which is suitable for testing for relationships between variables that are clearly defined and measurable, using structured data (Saunders, Lewis and Thornhill, 2023). The positivist perspective seeks a largely value free researcher and promotes the hypothetico-deductive testing which is a major component of answering the research questions (Bell, Bryman and Harley, 2022).

3.2 Research Approach: Deductive

The approach adopted is deductive, starting with existing theory (signalling theory and the theory of planned behaviour) and testing hypotheses that are derived from the theory (Saunders, Lewis and Thornhill, 2023). This is in line with the positivist perspective and confirmatory nature of the study.

3.3 Methodological Choice: Quantitative

A mono-method quantitative strategy is adopted, and it allows statistical measurements of the strength and direction of relationships within a sample (Bell, Bryman and Harley, 2022). The quantitative design is appropriate for the study's purpose of generalising results and testing the mediation and moderation effects (Creswell and Creswell, 2023).

3.4 Time Horizon: Cross-sectional

A cross-sectional design is used in this study because of the time and resource limitations of an MBA dissertation and because it captures data at one point in time (Saunders, Lewis and Thornhill, 2023). This horizon is typical in the CSR–WTP survey studies in similar contexts (Munaqib et al., 2025).

3.5 Data Collection Technique: Survey

Data will be gathered from primary sources via a self-administered online questionnaire using Google Forms. The constructs (perceived CSR, green trust, perceived greenwashing and WTP a premium) will be measured by using validated multi-item five-point Likert scales adopted from previous studies (Nazarenko and Saleh, 2024; Borah et al., 2024). A pilot test will be used to test out for clarity and internal reliability prior to distribution. Figure 3 summarises the overall research process.

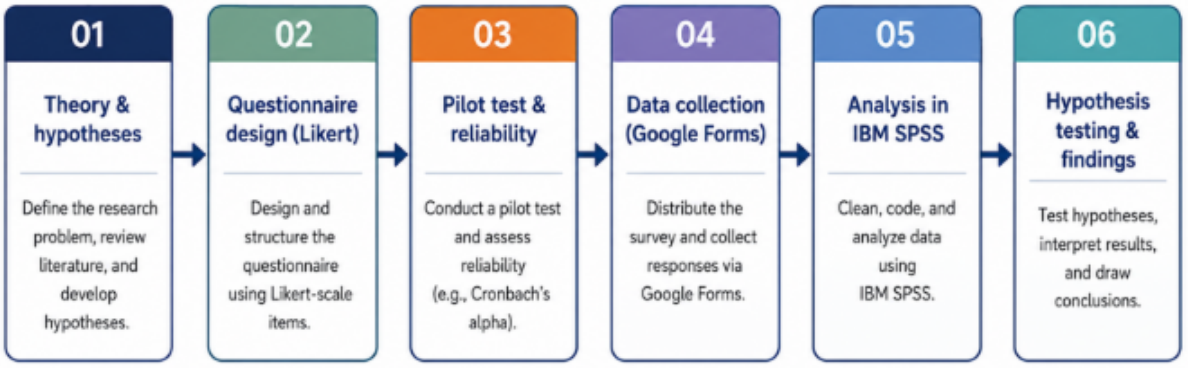


Figure 3. Overview of the deductive research process (Source: adapted from Creswell and Creswell, 2023).

3.6 Sampling

The target population is all consumers of sustainable products, in the UK. Due to accessibility and cost, non-probability convenience and snowball sampling will be used, allowing for a sample of 80 to 100 respondents to be recruited through social media and professional networks, as well as referrals from respondents, expanding

the sample to include beyond immediate contacts (Saunders, Lewis and Thornhill, 2023). The target range is based on the convention for five to ten responses per estimated parameter and is appropriate for the regression analysis that is planned. Convenience sampling limits representativeness but is used in similar research on WTP conducted by students where probability access is not feasible.

3.7 Data Analysis

Data will be analysed using IBM SPSS. Respondents will be profiled using descriptive statistics, before hypothesis testing, reliability and validity checks (using Cronbach's alpha) will take place. Data will be checked for missing data, outliers, and validation of regression assumptions (Field, 2024) to be done prior to hypothesis testing. H1 will be tested with correlation and multiple regression analysis, H2 will be tested with mediation analysis (Hayes, 2013) and H3 will be tested with moderation analysis (Hayes, 2013) in SPSS with bias corrected bootstrap confidence intervals (Field, 2024). Common method bias will be assessed by Harman’s single factor test based on the single source, self-reported data (Bell, Bryman and Harley, 2022).

3.8 Ethical Considerations

The study will follow UWTSD ethical guidelines. Participation will be anonymous and voluntary, with informed consent, the right to withdraw at any time, and the secure and confidential storage of data, which will only be used for academic purposes. It involves no sensitive personal information or vulnerable groups and data collection will be preceded by ethical approval.

4. Expected Findings

The study anticipates that perceived CSR will have a significant positive influence on willingness to pay a premium (H1), supporting the findings of Nazarenko and Saleh (2024) and Gong et al. (2023) in relation to signalling theory. Green trust is expected to partially mediate this link (H2) as it is known to act as a link between corporate message and buying intention (Borah et al., 2024). The link between CSR and WTP is expected to be weakened by perceived greenwashing, as studies indicate that perceived credibility to be a negative determinant of green price acceptance (Duong, 2024). Should these patterns hold, these findings would suggest that UK companies can expect to pay modest premiums for companies that have genuine CSR and that they can communicate it. However, as younger UK consumers are more likely to be sustainability oriented (YouGov, 2024; Filip et al., 2025), responses might differ across demographic groups. Theoretically, the mediated-moderation structure would contribute to signalling theory in the pricing context by identifying green trust as the mediator and perceived greenwashing as the key moderator. From a practical point of view, the findings would assist marketers in the UK in identifying CSR investments that heighten attitudes versus those that create a price premium that can be realised.

5. Limitations

Several limitations are recognized. The sample is also small (80-100) and not representative and therefore is of limited power and generalisability to the wider UK population. Self-reported, hypothetical WTP may overestimate compared to actual buying, due to attitude–behaviour gap (Gomes et al., 2023). Additionally, the cross-sectional design does not allow for strong causal inferences. In addition, there are limitations associated with using a single-source and self-reported survey data: common-method and social-desirability effects are further limitations, and the focus on the United Kingdom limits cross-national transferability. These will be addressed by using validated scales, a pilot test, procedural anonymity, and clear reporting and presenting the results as indicative rather than definitive.

6. Timeframe

The project will be carried out in a series of phases which are approximately 12 weeks in duration and allow for flexibility for delays. The indicative programme is summarised below.

Table 1. Indicative project timeline (Gantt chart).

Phase	Weeks 1–2	Weeks 3–5	Weeks 6–7	Weeks 8–9	Weeks 10–12
Proposal finalisation & ethics					
Literature review					
Questionnaire design & pilot					
Data collection (survey)					
Data analysis (SPSS)					
Writing & submission					

7. Conclusion

This proposal outlines a narrowly targeted, quantitative exploration of CSR and the influence it has on premium pricing of sustainable products by the UK consumer. It is based on signalling theory, stakeholder theory, and planned behaviour theory and fills a gap in the literature: the monetary aspect of CSR in a non-food UK context, where the mechanisms of green trust and greenwashing take a central place. This study with positivist, deductive approach and survey design analysed in SPSS is feasible within the available time and resources. It presents findings that have the potential to be of practical use for companies in terms of CSR communication and premium pricing, and that also provide empirical evidence for UK studies about CSR and sustainable consumption. The study is thus both theoretically sound and practically applicable.

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