

Does the Pandemic Boost Sustainability? The Influence of COVID-19 on Consumers and Their Loyalty Intentions toward Sustainable Brands

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Introduction: The 2019 coronavirus disease (COVID-19) has tremendously changed not only market environments, but also consumers' mindsets (Kirk & Rifkin, 2020). One such change is the even more considerable increase in consumer interest in sustainability (McKinsey & Co., 2020). These changes have been explained by some as stemming from the fact that the pandemic has triggered consumers' conscientious behaviors toward what is truly important in life, such as well-being and the environment (McKinsey & Co., 2020). Others argued that the global outbreak has encouraged extreme practicality among consumers, who thus prefer sustainable products that offer extra value (Latham, 2021). However, limited research has empirically examined what value changes and expectations drive consumers' increased interest in sustainability. Filling this gap, the present study examined whether COVID-19 has influenced consumers' value systems that are grounded in two contrasting perspectives (the new ecological paradigm [NEP] and materialism), corporate social responsibility (CSR) expectations toward brands, and eventually, consumers' loyalty intentions toward sustainable brands.

Theoretical Framework and Hypotheses: The NEP is a value system-oriented perspective that supports the urgent need to conserve the ecological environment (Dunlap et al., 2000). Conversely, materialism supports the accumulation and consumption of luxurious goods, which are incompatible with conservation (Richins, 2004). According to the theory of awe, the pandemic is a source of threat-based awe, which can affect existing human value systems (Piff et al., 2015). It suggests that powerful stimuli that defy current ways of living lead people to adjust their fundamental beliefs (Keltner & Haidt, 2003). As the cause of the COVID-19 pandemic (i.e., coronaviruses) is closely related to the ecological environment, its menacing impact is expected to change consumers' perceptions of such an environment. Those who perceive greater threats are more likely to adopt this new paradigm. Thus, we hypothesized that *H1: the extent to which consumers are affected by the COVID-19 pandemic positively influences their adoption of the NEP*. Threat-based awe elicits a sense of powerlessness (Gordon et al., 2016), and prior findings showed that perceived threats to power heightens materialism. When power is threatened, people are willing to pay a premium for status products (Rucker & Galinsky, 2008). As such, *H2: The extent to which consumers are affected by the COVID-19 pandemic positively influences their adoption of materialism*.

As the NEP is characterized by an acute vulnerability to natural events and a need to conserve the environment (Keltner & Haidt, 2003), consumers who strongly subscribe to the NEP are more likely to expect brands to contribute to the health and stability of the economy by staying financially healthy while upholding high ethical standards by minimizing the negative impact of doing business on the environment. Thus, *H3: The NEP positively influences economic CSR expectations (H3a) and ethical CSR expectations (H3b)*. Materialism is associated with affirming social status via status products (Goldsmith & Clark, 2012), and materialistic consumers are likely to support profitable brands because these signal strong consumer demand (i.e., social desirability). Simultaneously, sustainable products can be a new metric of status, as they are socially desirable and tend to cost more than conventional alternatives. Similarly, status motivation induces increased social responsibility expectations toward a company (Tascioglu et al., 2017). Thus, *H4: Materialism positively influences economic CSR expectations (H4a) and ethical CSR expectations (H4b)*.

Given that sustainable brands fulfill the growing consumer demand for ethically sourced, eco-friendly products, consumers who believe that ensuring profitability is important for a company are predisposed to support such brands. Previous research confirmed the positive relationship between a company's ethical standards and a consumer's brand loyalty (Park et al., 2017). Taken together, *economic CSR (H5) and ethical CSR (H6) expectations positively influence loyalty intentions toward sustainable brands*.

Methods: Following approval from the Institutional Review Board, an online survey was distributed to 382 consumers sampled from the general US population by a professional research firm, Qualtrics. The survey measured the following, and the items were adapted from the literature: the degree to which the consumers were affected by the COVID-19 pandemic (e.g., "COVID-19 pandemic has directly affected my health and safety", author-developed), NEP (e.g., "Despite our special abilities humans are still subject to the laws of nature", Dunlap et al., 2000), materialism (e.g., "I'd be happier if I could afford to buy more things", Richins, 2004), CSR expectations (e.g., "how much do you believe the following responsibility is important to businesses? Always improving economic performance (economic), Committing to well-defined ethics principles (ethical)", Kim et al., 2019), and loyalty intentions toward sustainable brands (e.g., "I would buy sustainable brands whenever I can", Keller, 2001). All the items were rated on a seven-point Likert scale (1= *strongly disagree*, 7= *strongly agree*).

Results: The validity and reliability of the measurement model was ensured via confirmatory factor analysis that was run on Amos 25.0. The results of a structural equation modeling ($\chi^2/df=2.56$, $p<.00$, CFI=.92, TLI=.92, RMSEA=.06) indicated that consumers who were severely affected by the pandemic more strongly subscribed to NEP ($\beta=.49$, $t=9.17$, $p<.00$) and materialism ($\beta=.39$, $t=7.04$, $p<.00$), supporting H1 and H2. The results also revealed that NEP and materialism increased both economic (NEP: $\beta=.41$, $t=7.06$, $p<.00$; materialism: $\beta=.23$, $t=4.03$, $p<.00$) and ethical CSR expectations (NEP: $\beta=.43$, $t=7.98$, $p<.00$; materialism: $\beta=.26$, $t=5.01$, $p<.00$), respectively. Thus, H3a, H3b, H4a, and H4b were supported. In support of H5 and

H6, consumers' economic and ethical CSR expectations were found to boost their loyalty toward sustainable brands (economic: $\beta = .33$, $t = 6.32$, $p < .00$; ethical: $\beta = .48$, $t = 9.08$, $p < .00$).

Conclusion: The results reflected that the COVID-19 pandemic increased consumers' loyalty intentions toward sustainable brands through two paths: (1) through increased NEP adoption and CSR expectations and (2) through increased materialism and CSR expectations. These insights indicate that consumers' growing interest in sustainability during the pandemic should be explained by multiple changes to value systems, rather than a single logic. For example, the COVID-19 crisis exacerbated consumers' concerns about the ecosystem (i.e., in correspondence with the NEP), thus increasing CSR expectations and loyalty intentions toward sustainable brands. However, the pandemic also encouraged consumers to be more oriented toward materials and social recognition, evidenced by increased materialism. Contrary to common expectations, this also increased consumers' CSR expectations and preferences for sustainable brands, possibly driven by their need to be socially recognized, to be trend-conscious, and to be seen as a "good person" by others. Theoretically, both cases support the theory of awe by showing the influence of the pandemic on consumers' reactive value changes. For managerial implications, marketers should note that consumers' loyalty intentions toward sustainable brands can be enhanced by not only a purely ethical appeal but also an appeal that fulfills consumers' need for social recognition (e.g., a visible brand name on packages that signals consumers' sustainable consumption patterns).

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