Public perceptions and consumer preferences for B Corps - greenwashing or trustworthy novel philanthropic actors?

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**1 Abstract**

Hybrid enterprises such as B Corps are transforming the philanthropic landscape. Driven by both profit and purpose, these private-sector actors promote prosocial and pro-environmental practices and offer novel and convenient ways for the public to pair philanthropic activities with consumption. The present study investigates how consumers perceive these novel companies, specifically their awareness and trust of B Corps, as well as the probability of them preferentially choosing B Corps products and services. Findings show that, while familiarity remains low, once respondents received information about B Corps, general trust in the concept was above average, which was also reflected in their preferences for B Corps food and clothing. Interestingly, this preference did not extend to services, indicating a need for more research and perhaps better communication and marketing in this sector. We further explored factors which might influence this preference and found that familiarity and trust, as well as a belief that B Corps’ higher prices are necessary and increase quality, all increased the probability of choosing B Corps, as did certain more general considerations deemed important when choosing a brand, such as a view towards better environmental practices and ethical labor. Succinctly, B Corps have potential as powerful new players promoting public good, but their ability to succeed relies on more efficient communication and positive perceptions of their activity. Moreover, while these findings shed light on current perceptions and effects of the B label, a majority of choice variance remains unexplained, indicating the importance of future studies.

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**2 Introduction**

The philanthropic landscape has seen major transformations over the last two decades, with corporations and private actors playing an increasingly important role in philanthropic activities [(Bey & Peter, 2021)](https://www.zotero.org/google-docs/?9wKBwK). A notable cohort of emerging players are B Corps, hybrid, private-sector actors driven by both profit and purpose, specifically working towards promoting prosocial and pro-environmental practices. Launched in 2007 by the nonprofit organization B Lab, the B Corp certification is given to companies evaluated on their policies and performance in the fields of governance, workers, customers, community, and environment, and subject to random on-site audits by B Lab meant to enhance company accountability [(B Lab, 2023)](https://www.zotero.org/google-docs/?FLghjf). To date, nearly 7000 companies have been certified worldwide. As these companies generally seek to align their purpose-driven activities with the Sustainable Development Goals (SDGs), B Corps potentially represent a novel form of philanthropy [(Bey & Peter, 2021)](https://www.zotero.org/google-docs/?zm1hoA).

The proliferation of B Corps and other hybrid companies comes at a time when consumer preferences are trending ever more toward ethical and sustainable consumption. Accenture’s 2021 Global Consumer Pulse report [(Accenture, 2021)](https://www.zotero.org/google-docs/?HgaLwP) found that, following major attitude changes during the COVID-19 pandemic, 70% of consumers believed private companies were just as responsible for societal health as elected governments, 42% recognized the importance of focusing on others’ well-being, and 57% were ready to switch from their current suppliers to ones more aligned with their views on economic and societal issues. What is more, people are increasingly willing to put their money where their morals are, with employees accepting 9% lower wages in companies operating in sustainable sectors [(Krueger et al., 2020)](https://www.zotero.org/google-docs/?LZY23t) and an increasing demand for sustainable investments resulting in a 96% growth of investments in sustainable assets between 2019 and 2020 [(IBM Institute for Business Value, 2021)](https://www.zotero.org/google-docs/?68Ngsb). In short, B Corps are selling what the market is ready to buy. But are they doing so effectively?

An essential question to gauge this effectiveness is: how familiar are people with the B Corps label? That is, does the B Corps logo have enough brand recognition to communicate the value of a product/service to sustainable consumers? A survey in 2017 by Gold (reported in [Guarna, 2019)](https://www.zotero.org/google-docs/?pSxWuc) found that a mere 7% of participants were familiar with the B Corps logo. This poses a major challenge, as lack of familiarity with the label renders its potential power to communicate ethical standards moot. An additional key question, which can be applied to most philanthropic actors, is: does the B Corps label engender trust? That is, do consumers believe that the process behind B Corps certification is rigorous enough to hold companies accountable to high ethical and sustainable standards? This is especially important in the face of rising skepticism regarding greenwashing and other false claims [(Hamza & Jarboui, 2020)](https://www.zotero.org/google-docs/?JRpvIn). Given that B Corps are often smaller than corporations and thus lack the financial resources to engage in PR campaigns, their ability to cooperate with communities and deliver meaningful impact stands on their perceived credibility and is thus paramount to their success.

To date, most B Corps literature tends to be company-focused, examining financial or growth-oriented aspects, sustainability achievements, or legal implications (for a review, see [Diez-Busto et al., 2021)](https://www.zotero.org/google-docs/?IHm4iC). There are only two studies to date analyzing how the B Corps label influences consumer perception and behavior, which may shed some light on the issue of trustworthiness. The first, by Bianchi et al [(2020)](https://www.zotero.org/google-docs/?W5yXAK), examined consumer motivations for purchasing B Corps products and found that a social or environmental contribution, assured by the B Corp label, was a key motivator. A follow-up study [(Bianchi et al., 2022)](https://www.zotero.org/google-docs/?WxIkat), examined drivers in consumers’ intentions to purchase from B Corps, and found that major factors included people’s environmental consciousness as well as involvement with and attitude towards responsible enterprises, along with a sense of perceived behavioral control. Thus it appears that B Corps are associated with better socio-environmental practices, which implies a certain level of trust. These values are also congruent with more general evidence from behavioral science that a desire to both conform to social norms (e.g. widespread trends toward more socio-environmental-friendly practices) and live in accordance with the idealized self can be powerful motivators for behavioral change [(White et al., 2019)](https://www.zotero.org/google-docs/?EZUVIl).

While these initial studies shed some light on consumer perspectives of B Corps, some major questions are only answered in part. These include: how has B Corp brand familiarity evolved since 2017, how is the B Corp label perceived by consumers–specifically with regards to trustworthiness – and whether choices to purchase goods and services are affected by the B Corp label. Consumer data which provides answers to these questions is valuable on multiple levels. From an institutional perspective, it can help determine whether obtaining a B Corp certificate is worthwhile, that is, whether it can effectively act as shorthand to communicate a company’s values and practices to consumers and actively impact their behavior. Through insight on whether perceptions of B Corp match the information the label aims to communicate, and in turn favorably impact consumer choices, both B Lab and certified companies can identify more effective communication initiatives that clearly convey the label’s meaning.

To investigate current perceptions of B Corps and the effect of the B Corp label, we devised a two-part study in which participants first rated their familiarity with and trust of B Corps, and then chose between pairs of items that were identical save for the B Corp logo. To provide a more nuanced measure of preference, we measured not only their choice of one item over another, but how much more they were willing to pay for their preferred item. Willingness to Pay (WTP), a widely used metric in behavioral science [(e.g., Kang et al., 2012)](https://www.zotero.org/google-docs/?XLhYfL), is especially relevant here as ethically sourced and sustainable products often tend to cost more than their counterparts. Our aim with this study was to answer the following research questions (RQ):

RQ 1: What is the B Corp label’s effect on consumer choice?

RQ 2: Do different categories of goods (food, clothing, services) influence the effect of the B Corp label?

RQ 3: What other demographic factors play a role in how the B Corp label impacts decisions?

**3 Methods**

*3.1 Participants*

For a within-participant experimental design, we recruited a total of 600 participants (298 women, mean age= 41.8 [SD = 13.7] from the UK and USA). In more detail, 302 participants were based in the UK (150 women, mean age= 41.8 [SD = 13.7]) and 298 participants were based in the USA (148 women, mean age= 37.2 [SD = 14.6]). The sample size rationale was set up before the data collection and was justified based on our resources and time limitations [(Lakens, 2022)](https://www.zotero.org/google-docs/?R7KC08). We recruited participants on Prolific with the following prescreening criteria: Nationality (UK or USA), first language (English), selected a balanced sample on gender, and excluded participants from the two pilot studies run beforehand. Participants were compensated for their time with 1.25£, which was above the minimum payment[[1]](#footnote-1).

The prerequisite for participants was to meet the survey requirements (i.e., participants who tried to do a survey from a mobile or tablet and participants who used Internet Explorer were excluded at the beginning of the study to avoid technical incompatibility between Psytoolkit experiment and browsers). Additionally, we checked that their speakers/headphones were working, given that the study used an informative video about the B Corps certification to provide participants with the necessary contextual knowledge. The study was approved by the University of Geneva ethics committee.

*3.2 Procedure*

The survey and within-subject experiment were conducted using Psytoolkit [(Stoet, 2010, 2017)](https://www.zotero.org/google-docs/?F22xMW) and took approximately 10 minutes to complete. The survey comprised several sections, including a socio-demographic questionnaire, a self-reported and objective measurement of B Corps knowledge and familiarity, two attention checks to ensure participants were not answering at random, and a survey regarding general attitudes, trust, and perceptions of B Corps[[2]](#footnote-2). The final section was the Willingness to Pay task (see Appendix 1 for an example) in which participants had to choose between a B-Labeled food/product/service and an equal counterpart without the label, while indicating how much more in price percentage they would be willing to pay for their choice (participants also had a neutral no preference option). Prior to beginning, to ensure that participants unfamiliar with B Corps had enough knowledge to complete this task, participants were informed about what B Corps are through bullet point descriptions, alongside a short explanatory video. They then proceeded to the knowledge evaluation questions followed by the task. Additionally, to enhance ecological validity, we selected product categories and services that offered both B Corp and non-B Corp options at the time of the study. The experiment followed a within-subject design, where each participant made decisions for all 15 products across the three categories: food items (coffee, chocolate, banana, soy milk, and meat), clothing (jacket, sneakers, T-shirt, shoes, and jeans), and services (travel insurance, banking, law firm, home repair). Consequently, each participant indicated their willingness to pay extra for each of the 15 items in 15 randomly presented trials. The left/right presentation of B Corp/non-B Corp items on the screen, as well as category order, were randomized across participants to minimize order effects.

In each trial, a short fixation cross was displayed for 500ms as a preliminary step, followed by the WTP choice for each product. WTP was self-reported by participants, and it was measured on a discrete scale between 0-20% divided into bins of 5% (e.g., 1-5%, 5-10%), for either of the two B-Corps/NonB-Corp items. In other words, WTP was quantized as percentages of the original price people were willing to pay in addition to the base price. The initial price of the product was not stated as it could both vary across countries/regions and impact participants' beliefs about the product. Therefore, participants were instructed to imagine a shopping scenario and, with a click on the corresponding button state, they would indicate their preference of BCorps, non-B Corps, or no preference, alongside the percentage WTP for their chosen preference. Each trial followed the same procedure, starting with a 500ms fixation cross and proceeding to the item preference and WTP choices. All experimental codes are available in supplementary materials.

**4 Results**

*4.1 Demographic information*

Data was collected from 600 respondents, 298 in the US and 302 in the UK. Data analysis was conducted using R version 4.3. Our data shows similarities between US and UK residents for most demographic factors (see table in Appendix 2), with the exception of income, which was slightly higher in the US overall, an expected discrepancy considering that the average annual salary in the US in 2021 was $74,738, compared to $49.979 in the UK [(OECD, 2021)](https://www.zotero.org/google-docs/?bu2fHc).

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| **Table 1** | | | |
| General attitudes and perceptions of B Corps | | | |
| **Statement** | **Disagree** | **Neutral** | **Agree** |
| **General Attitudes** | | | |
| Private companies are responsible for improving or at least maintaining the world through their practices. | 6.8 % | 10 % | 83.2 % |
| Private companies are in part responsible for environmental and social degradation. | 4.8 % | 7.5% | 87.7% |
| If I trust a company, I am more likely to become a recurrent customer. | 1.2 % | 4.3 % | 94.5 % |
| If I trust a company, I am less likely to recommend it to friends. (I) | 90.8 % | 4.5 % | 4.7 % |
| If I trust a company, I am willing to pay more for their products. | 13.5 % | 10.3 % | 76.2 % |
| **Perceptions of B Corps** | | | |
| A B-Corp label doesn’t reflect genuine and ethical CSR practices and commitments. (I) | 55.3 % | 28.8 % | 15.8 % |
| B-Corps use this label to advance profit-making agendas and are greenwashing consumers. (I) | 41.3 % | 28.6 % | 30 % |
| The B-Corp label is indicative of higher quality. | 29.7 % | 35 % | 35.3 % |
| B-Corps are not more accountable than non-certified companies when it comes to their commitments. (I) | 51.5 % | 24.3 % | 24.2 % |
| A B-Corp label is beneficial for society. | 6.3 % | 19.3 % | 74.3% |
| A B-Corp label won’t have an impact on improving business ethics. (I) | 58.8 % | 22.2 % | 19 % |
| B-Corps’ services/products higher prices are required to ensure ethical practices across the supply-chain. | 16.8 % | 28.5 % | 54.7 % |
| A B-Corps’ potential higher price is a reflection of quality. | 30.5 % | 32.3 % | 37.2 % |
| I consider B-Corps to be similar to fair-trade and bio/organic labels. | 14.2 % | 19.7 % | 66.2 % |
| I would not recommend a B-Corp product/service to my peers. (I) | 63.3 % | 29.5 % | 7.2 % |
| I would recommend a B-Corp product/service to my peers, irrespective of whether the price is higher or lower. | 22.2 % | 32.7 % | 45.2 % |

*Table 1: Percentage of respondents that agreed/disagreed with statements on general attitudes and perceptions of B Corps. Negative statements are followed by an (I).*

*4.2 Familiarity, trust, and perceptions of B Corps*

Regarding our cohort’s awareness of B Corps, we found that only 15% of participants stated that they were familiar with B Corps. While this number is still low, it reflects a small improvement compared to the 7% familiarity rating found in 2017 [(Guarna, 2019)](https://www.zotero.org/google-docs/?0c1uya). Interestingly, despite most respondents being unfamiliar with B Corps, once they were provided with a short video and text explanation of what B Corps are, participants intuitively indicated trust in the B Corps concept - i.e. the assertion of the corporation being guided by the desire to promote social welfare as well as its value - reporting an above average rating for these institutions (mean trust rating of 4.58/7 on a scale of one, not trustworthy at all, to seven completely trustworthy). More public perceptions on B Corps’ social benefit, trustworthiness, and greenwashing gathered in this survey can be found in [Tudor et al. (2023)](https://www.zotero.org/google-docs/?HzEAM4), section “4.5 Exploring Public Awareness and Perceptions of B Corps”.

As for respondents’ general attitudes towards companies (see Table 1), the majority of respondents agree that companies are both in-part responsible for environmental and social degradation (87.7%) and for maintaining/improving the world through their practices (83.2%). Additionally, trusted companies increase both the WTP for their products (76.2%) and the reported likelihood of respondents becoming recurrent customers (94.5%), and decrease the likelihood of respondents not recommending it to friends (90.8%). When it comes to perceptions of B Corps specifically, 74% of respondents believe B Corps are beneficial for society and 66.2% believe them to be similar to fair-trade and bio/organic labels. Additionally, 63.3% disagreed that they would not recommend B Corps products/services to their friends/peers, but only 45.2% would do so irrespective of the price. Opinions are more divided with respect to ethical considerations, with only slightly more than half of respondents disagreeing with the claims that the B Corp label does not reflect ethical practices (55.3%) and that B Corps companies are not more accountable (51.5%). A more divisive statement was the claim that B Corps use the label to advance profit-making via greenwashing, with 41.3% disagreeing, 28.6% undecided, and 30% agreeing. This indicates that respondents accurately view B Corps as hybrid companies that are generally beneficial to society, but still profit-focused. With regards to how the label impacts the products, 54.7% of respondents agree that higher prices are necessary to ensure ethical practices, but opinions are split on whether the B Corp label (29.7% agreed, 35% neutral, 35.3% disagree) and higher price (30.5% agree, 32.3% neutral, 37.2% disagrees) indicate better quality.

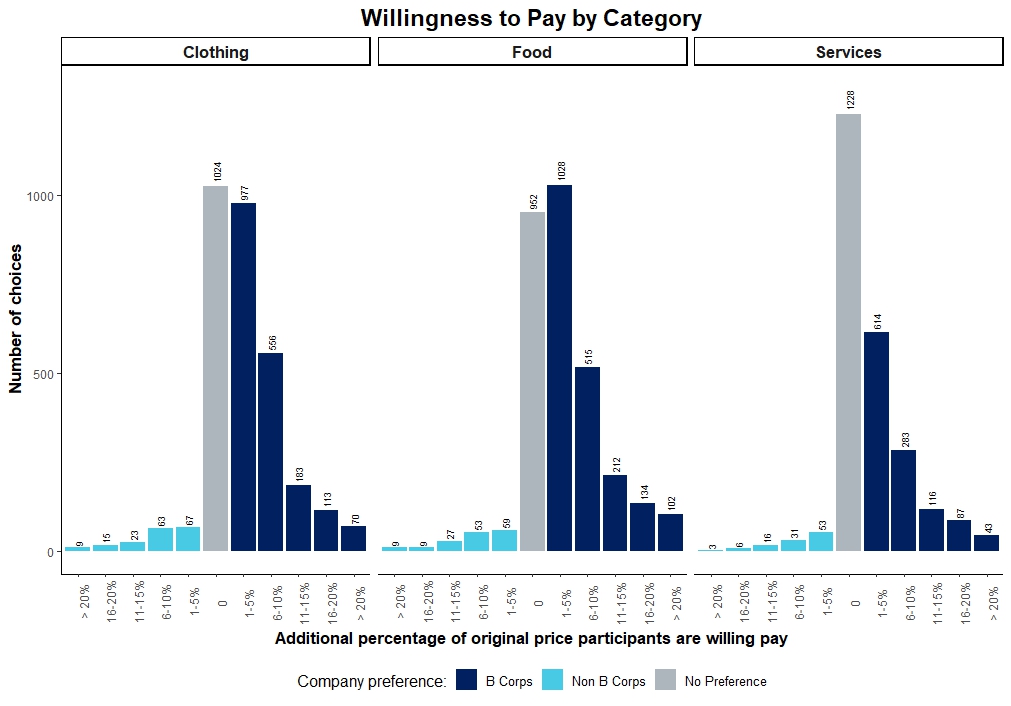
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| **Table 2** | | |
| Important factors when choosing a brand/product/service. | | |
|  | **No** | **Yes** |
| Transparency | 51.2 % | 48.8 % |
| Quality | 10.3 % | 89.7 % |
| Better environmental practices | 41.8 % | 58.2% |
| Ethical treatment of labor force | 38.8 % | 61.2 % |
| Price | 13.5% | 86.5 % |
| Locally produced (if goods) | 63.8 % | 36.2 % |
| Customer education on sustainable practices | 82 % | 18 % |
| Social/environmental activism | 75.5 % | 24.5 % |

*Table 2: Percentage of respondents who consider each factor important when choosing a brand/product/service.*

We collected additional data on what factors are important to respondents when choosing products/services (see Table 2) and unsurprisingly found quality and price at the top of the list (89.7% and 86.5% respectively), with the majority of respondents still considering ethical treatment of the labor force (61.2%) and better environmental practices (58.2 %). Fewer, but still a considerable percentage, took transparency (48.8%) and whether products were locally sourced (36.2%) into account, while only a small number were interested in social/environmental activism (24.5%) and customer education on sustainable practices (18%).

*4.2 Choice preferences and predicting factors*

In the choice task, B Corps products were preferred to equivalent products from non-B Corps in 58% of the trials (i.e. 5398 times out of 9300). This is particularly relevant as choosing a specific product also came at a monetary cost to the respondent, i.e. an increase in price (see scale in Methods). Of the remaining trials, no preference was declared in 37% of trials (n = 3432) and in only 5% (n = 470) was a preference for non-B Corps products shown. Figure 1 shows a breakdown of choices by category. A chi-square test (using the chisq.test function) showed that B Corps were chosen significantly more than both other options combined (X-squared = 240.7, df = 1, p-value < 0.001), providing insight into RQ 1 (What is the B Corp label’s effect on consumer choice and WTP?). This effect persisted when tests were run separately for the categories of **Food** (X-squared = 250.9, df = 1, p-value < 0.001) and **Clothing** (X-squared = 157.2, df = 1, p-value < 0.001), however, for **Services**, the other options were significantly chosen over B Corps (X-squared = 15.2, df = 1, p-value < 0.001). These results indicate a clear preference for B Corps goods, but not services. The average WTP across categories stands at 6%, i.e., people are willing to pay – on average – 6% more for B Corp products or services, with no significant differences in WTP between the three categories nor the categories’ different products.

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*Figure 1: Participants’ willingness to pay for their preferred choice (B Corps vs non B Corps products) divided by category of goods. The x axis shows what percentage of the original price participants were willing to pay extra for their choice. Number of decisions aggregated at population level: Clothing = 3100. Food = 3100, Services = 2480.*

We then examined which factors contributed to participants choosing B Corps over other options using a series of generalized linear models[[3]](#footnote-3) (glm function in R), shown in Table 3. Confirming the results shown above, Model 1 shows that the probability of people choosing B Corps for clothing was 60.6% (intercept = 0.429), and there was a significant effect of category, with a trend towards food increasing the probability of choosing B Corps by to 62.8% (coef = 0.097, p = 0.066) and services significantly decreasing the probability to 46% (coef = -0.59, p < 0.001). We proceeded to examine the role of how B Corps were perceived in Model 2. Unsurprisingly, for every increase in unit in reported trust[[4]](#footnote-4), the probability of choosing B Corps was significantly increased by 1.6%/unit of trust increased (coef = 0.13, p < 0.001, when all other variables were kept at 0). Additionally, participants’ belief that an increase in the price of B Corps products meant an increase in quality also significantly increased this probability by 2.5%/unit (coef = 0.21, p < 0.001), as did the belief that higher prices were necessary to ensure ethical practices (by 4.2%/unit, coef = 0.34, p < 0.001). As could be expected, beliefs that B Corps were not ethical decreased the probability of choosing them by 2%/unit (coef = 0.21, p < . 001). Familiarity with B Corps also significantly increased the probability of choosing them by 0.9%/unit (coef = 0.08, p < 0.001), although given the low initial familiarity with B Corps (15%), this result is merely suggestive of an effect and should be further investigated.

We then added respondents’ more general considerations when choosing brands in Model 3. Valuing environmental practices, ethical labor, and social/environmental activism more highly also led to increased probabilities of choosing B Corps (by 3.8%/unit, p < .001, 2.6%/unit, p < .001, and 3.6%/unit, p < .001, respectively), yet another indication that B Corps values are considered congruent with these beliefs. Furthermore, we added demographic factors in Model 4 and found that older people had a slightly lower probability of choosing B Corps than younger ones (-0.6%/year, p < 0.001), women of choosing B Corps less than men (-1.4%, p < 0.01), US residents of choosing them less than UK residents (-1.1%, p = 0.2), and higher income slightly increasing the probability of choosing B Corps (by 0.6%, p < 0.01), likely because doing so involved declaring being willing to pay a higher price.

Of note, even with all the aforementioned factors included in model three, the Matthew’s Correlation Coefficient (MCC) for the full model (Model 4) was still only 0.38, meaning that, while these factors had significant effects, they still explain less than 40% of the choice variance. This indicates that there are other important factors not measured in this survey which would have stronger and more important effects on consumer choices.

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| **Table 3** |  |  |  |  |
| *Probability of choosing B Corps products/services.* | | |  |  |
|  | **Model 1** | **Model 2** | **Model 3** | **Model 4** |
| **Intercept** | 0.429 (0.04) \*\*\* | -1.98 (0.21) \*\*\* | -2.42 (0.21) \*\*\* | -2.17 (0.25) \*\*\* |
| **Category** | | | | |
| **Food** | 0.097 (0.05) . | 0.11 (0.06) \* | 0.12 (0.06) \* | 0.11 (0.06) \* |
| **Services** | -0.59 (0.06) \*\*\* | -0.69 (0.06) \*\*\* | -0.71 (0.06) \*\*\* | -0.71 (0.07) \*\*\* |
| **Perceptions of B Corps** | | | | |
| **Familiarity (1-7)** |  | 0.08 (0.01) \*\*\* | 0.05 (0.01) \*\*\* | 0.05 (0.02) \*\* |
| **Trust (1-7)** |  | 0.13 (0.03) \*\*\* | 0.15 (0.03) \*\*\* | 0.16 (0.03) \*\*\* |
| **B Corps price = quality (1-7)** |  | 0.21 (0.02) \*\*\* | 0.2 (0.02) \*\*\* | 0.21 (0.02) \*\*\* |
| **B Corps are not ethical (1-7)** |  | -0.21 (0.02) \*\*\* | -0.19 (0.02) \*\*\* | -0.2 (0.02) \*\*\* |
| **B Corps: higher price necessary (1-7)** |  | 0.34 (0.02) \*\*\* | 0.32 (0.02) \*\*\* | 0.3 (0.02) \*\*\* |
| **Considerations when choosing a brand** | | | | |
| **Better environmental practices (0-1)** |  |  | 0.43 (0.05) \*\*\* | 0.4 (0.05) \*\*\* |
| **Ethical Labor (0-1)** |  |  | 0.3 (0.06) \*\*\* | 0.29 (0.06) \*\*\* |
| **Activism (0-1)** |  |  | 0.41 (0.06) \*\*\* | 0.36 (0.07) \*\*\* |
| **Demographics** | | | | |
| **Age (18-80)** |  |  |  | -0.01 (0) \*\*\* |
| **Gender (F)** |  |  |  | -0.16 (0.05) \*\* |
| **Level of income (1-7)** |  |  |  | 0.06 (0.02) \*\* |
| **Residence (US)** |  |  |  | -0.13 (0.06) \* |
| **Political Ideology** |  |  |  |  |
| **Liberal** |  |  |  | 0.11 (0.08) |
| **Conservative** |  |  |  | -0.16 (0.1) . |
| **Other** |  |  |  | 0.06 (0.1) |
| **AIC** | 12099 | 10762 | 10472 | 10334 |
| **BIC** | 12120 | 10819 | 10550 | 10461 |
| **MCC** | 0.1437072 | 0.3303913 | 0.3840984 | 0.3827604 |

*Table 3: Probability of choosing B Corps products/services based on category, perceptions of B Corps and demographic factors. The range for all numeric variables is given in parentheses. For categorical variables, intercepts: Category = Goods, Gender = Male, Residence = UK, and Political ideology = Neutral. Standard errors are given in parentheses.*

**5 Discussion**

The results of this study show that, overall, in answer to RQ1, people chose B Corp products significantly more than both other options (no preference and non-B Corps) combined, even though this required a reported intention to pay a higher price for the product (shown through WTP). When divided by category (RQ2), the effect was most prominent for food products followed by clothing. Interestingly, this preference was not present for services, where significantly more people chose no preference over B Corps. This result could be due to the fact that it is easier to imagine what ethical/sustainable practices might entail in the production of foods and clothing, but harder to conceptualize how a B Corp service (e.g. law firm, travel agency) company differs from a non-B Corp one (e.g., ensuring ethical standards in worker treatment may be less visible to consumers compared to supply chain sourcing practices). Moreover, ethically sourced/sustainable products, especially food and clothing, have been on the market for decades now, and it may be that people have more familiarity with them and have even cultivated practices that favor ethical consumption. On the other hand, ethical services is a more novel concept that may not benefit from familiarity or habitual responses. Future research could examine whether it is caused by a lack of information or novelty/familiarity by providing participants with additional information/examples on how B Corps service companies differ from non-B Corps ones and then measuring their preferences.

As reported previously in [Tudor et al. (2023)](https://www.zotero.org/google-docs/?FM9Bk7), familiarity ratings, while slightly higher at 15% than those measured in 2017, are still quite low. This speaks to the importance of better strategies to communicate the B Corp label’s significance to the general public. Once participants were explained what a B Corps was, they found it generally trustworthy, evidence that the B Corp label could easily have more value if people were aware of its meaning. This is supported by findings that both trust and familiarity increased people’s probability of choosing B Corps products.

Choices were also influenced by age, gender, and country of residence, which can help inform enterprises as to which demographics might be better targets in their information campaigns. Additionally, the belief that a higher cost of B Corps products was indicative of better quality suggests that marketing strategies that focus on this aspect may be more successful. Of note, quality was the number one factor respondents reported considering when making choices, however overall belief that the B Corp label and potentially higher prices characterized better quality were low. This suggests that B Corp marketing should emphasize the quality, both of the end product and of the environments in which it is created.

Another interesting finding is that more than 50% of people either believe that B Corps use the label to advance profit (e.g. via greenwashing) or are undecided (30% believe so, 28% are undecided). This hints at potential problems with moral crowding-out [(Chao, 2017)](https://www.zotero.org/google-docs/?ZnxFx1), that is, as B Corps are hybrid companies, the belief that they are using the certification to increase profits might crowd out the effects of their genuine commitment to prosocial and pro-environmental practices in consumers’ eyes, potentially meaning that B label marketing could backfire in the skeptical subpopulations. This warrants further investigation into the possible effects of moral crowding-out. What we can ascertain from the present study is this belief did not significantly impact the probability of choosing B Corp products and B Corps products were still chosen in the majority of trials. Future research could explore how prevalent crowding-out effects are for hybrid companies and what communication strategies are most efficient in reducing them.

One key limitation of our study is that, while all the aforementioned factors significantly impacted decisions, our full model only correctly classified 38% of choices. This indicates that untested demographic or ideological factors that greatly impact people’s choices remain to be discovered, factors which could explain a higher choice variance. One potential factor could be moral frameworks, evidenced by [Bianchi et al.’s (2022)](https://www.zotero.org/google-docs/?Jau9i5) findings that environmental consciousness and attitudes towards responsible enterprises were reportedly key motivators in people’s decisions. An interesting future study could pair these beliefs with decisions to examine their effect. Another limitation is that our study measured people’s hypothetical and self-reported choices rather than actual purchases. These self-reported measures are prone to intention-action gaps [(e.g., Sheeran & Webb, 2016)](https://www.zotero.org/google-docs/?yp5dSo) – meaning that reported intentions don’t necessarily match actions, as well as social desirability biases – meaning the tendency to report more favorable intentions in accordance with perceived external social norms that don’t fully portray internal beliefs (Kilian & Mann, 2021). However, in our sample, noticing a statistically significant difference between preferences for food items and services, indicates that social desirability bias is not necessarily driving consumer self-reported preferences. This is because, under a complete social desirability bias scenario, preferences for B Corps would be expected across all categories, not selectively. A follow-up study could test whether our findings hold up for decisions where products/services are actually acquired, or experimental outcomes incentivize participants’ behavior through payouts and/or lotteries.

This study showed a general preference for B Corps products, but not services. These choices were underlain by predominantly positive perceptions of B Corps and above-average trust. However, these perceptions followed an explanation of the B Corp concept, as familiarity with the label was still low. This widespread lack of awareness diminishes their social visibility, which in turn affects their potential for growth and philanthropic impact. Moreover, while we identified a number of significant factors that motivate preferences for B Corps, a large amount of choice variance remains unexplained, underscoring the need for additional studies in this field. Furthermore, despite predominantly positive overall perceptions, the sense that financial ulterior motives drive B Corps’ philanthropic activities remains. Such perceptions may diminish B Corps’ ability to reliably engage with and deliver value to their communities. In short, B Corps are powerful new players promoting public good, but their ability to succeed relies on more efficient communication and positive perceptions of their activity.

**Author Contributions:**

All authors designed the study and stimuli. U.B. coded and performed the experiments. M.T., N.M.S. and U.B. analyzed the data with input from G.U. N.M.S., M.T. and U.B. wrote the paper with input from G.U.

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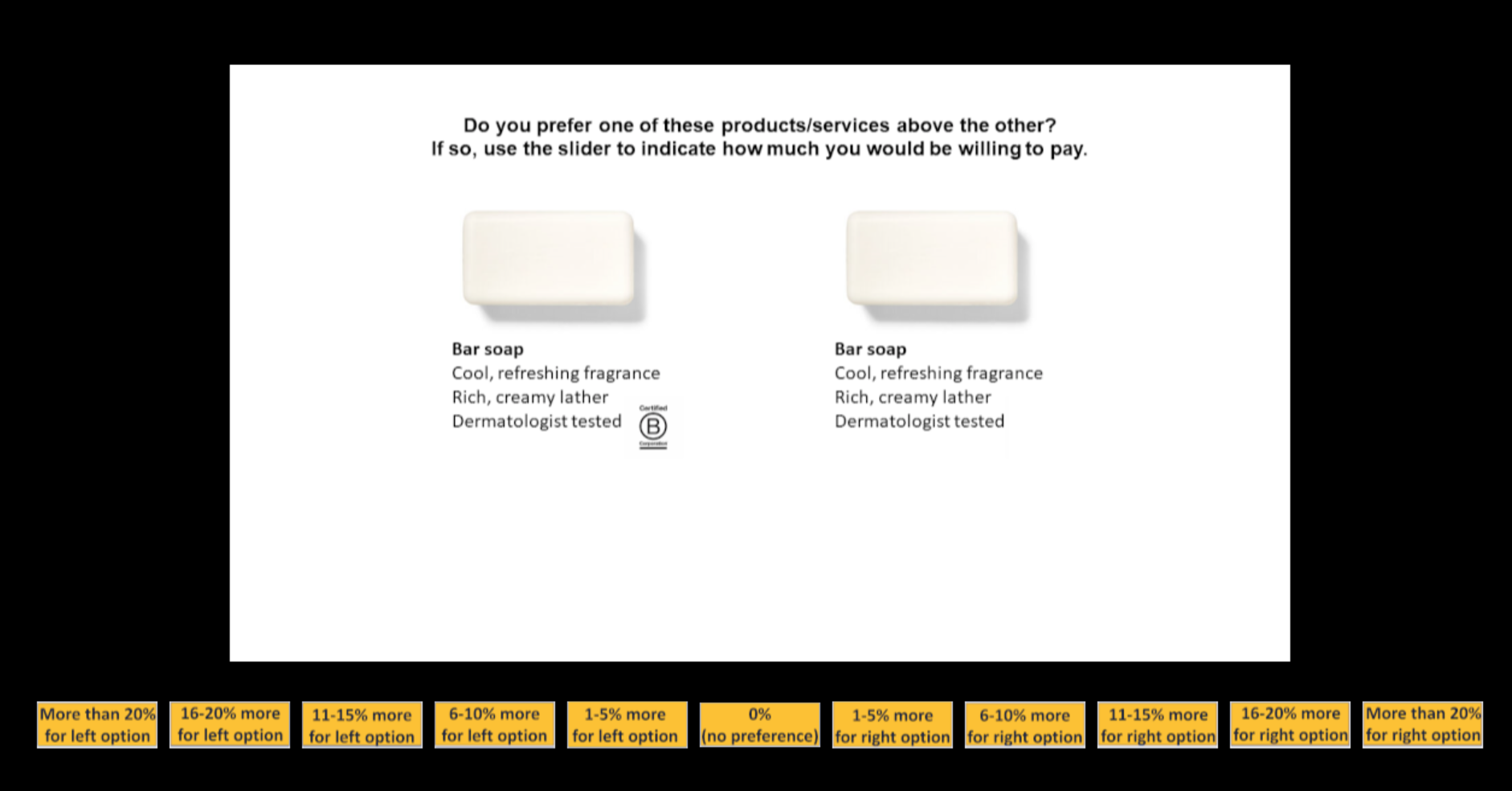
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**Appendix 1: Willingness to Pay task example**

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The full survey questionnaire can be seen [here](https://drive.google.com/file/d/1X8Zn6ep2VCl-ZngyplcgeLYFiJavVB-O/view?usp=sharing).

|  |  |  |  |
| --- | --- | --- | --- |
| **Appendix 2: Demographics**  **Demographic information by country of residence** | | |  |
|  | **UK** | **US** | **Overall** |
|  | **(N=302)** | **(N=298)** | **(N=600)** |
| **Gender** |  |  |  |
| **M** | 150 (49.7%) | 148 (49.7%) | 298 (49.7%) |
| **F** | 152 (50.3%) | 150 (50.3%) | 302 (50.3%) |
| **NonDisclosure** | 0 (0%) | 0 (0%) | 0 (0%) |
| **Other** | 0 (0%) | 0 (0%) | 0 (0%) |
| **Age** | 41.8 (13.7) | 37.2 (14.6) | 39.5 (14.3) |
| **Education** |  |  |  |
| **Middle School** | 17 (5.6%) | 1 (0.3%) | 18 (3.0%) |
| **High School** | 123 (40.7%) | 110 (36.9%) | 233 (38.8%) |
| **Bachelor** | 105 (34.8%) | 127 (42.6%) | 232 (38.7%) |
| **Master** | 49 (16.2%) | 41 (13.8%) | 90 (15.0%) |
| **PhD** | 6 (2.0%) | 6 (2.0%) | 12 (2.0%) |
| **Other** | 2 (0.7%) | 13 (4.4%) | 15 (2.5%) |
| **Ethnicity** |  |  |  |
| **Asian** | 11 (3.6%) | 20 (6.7%) | 31 (5.2%) |
| **Black** | 7 (2.3%) | 20 (6.7%) | 27 (4.5%) |
| **Chinese** | 1 (0.3%) | 6 (2.0%) | 7 (1.2%) |
| **Mixed** | 11 (3.6%) | 24 (8.1%) | 35 (5.8%) |
| **White** | 268 (88.7%) | 220 (73.8%) | 488 (81.3%) |
| **Other** | 4 (1.3%) | 8 (2.7%) | 12 (2.0%) |
| **region** |  |  |  |
| **City** | 86 (28.5%) | 96 (32.2%) | 182 (30.3%) |
| **Sub-urban** | 159 (52.6%) | 145 (48.7%) | 304 (50.7%) |
| **Rural** | 57 (18.9%) | 57 (19.1%) | 114 (19.0%) |
| **Income** |  |  |  |
| **0** | 13 (4.3%) | 7 (2.3%) | 20 (3.3%) |
| **1-10k** | 56 (18.5%) | 37 (12.4%) | 93 (15.5%) |
| **10-25k** | 90 (29.8%) | 58 (19.5%) | 148 (24.7%) |
| **25-50k** | 103 (34.1%) | 70 (23.5%) | 173 (28.8%) |
| **50-75k** | 27 (8.9%) | 54 (18.1%) | 81 (13.5%) |
| **75-100k** | 5 (1.7%) | 40 (13.4%) | 45 (7.5%) |
| **over 100k** | 6 (2.0%) | 27 (9.1%) | 33 (5.5%) |
| **Other** | 2 (0.7%) | 5 (1.7%) | 7 (1.2%) |
| **Political ideology** |  |  |  |
| **Liberal** | 151 (50%) | 174 (58.4%) | 325 (54.2%) |
| **Conservative** | 61 (20.2%) | 47 (15.8%) | 108 (18.0%) |
| **Neutral** | 4 ( 1.3%) | 65 (21.8%) | 69 (11.5%) |
| **Other** | 86 (28.5%) | 12 ( 4%) | 98 (16.3%) |
| **Familiarity with B Corps (1-7)** | 1.94 (1.67) | 1.99 (1.77) | 1.97 (1.72) |
| **Trust of B Corps (1-7)** | 4.55 (0.987) | 4.61 (1.14) | 4.58 (1.07) |

*Participants’ demographic information by country of residence. For categorical variables, number of participants and percentage of total respondents (in parentheses) is shown, for numerical variables, mean and standard deviation.*

1. Minimum participant reward at the time we run the study (January 2022) was £5/$6.50 (for details see: https://www.prolific.co/blog/increased-minimum-participant-reward) [↑](#footnote-ref-1)
2. In addition, we compared the trustworthiness of B Corps to Benefit Corporations, general social enterprises, and standard for-profit companies with CSR policies, results which can be found in [Tudor et al. (2023)](https://www.zotero.org/google-docs/?J6f7nZ), section “4.5.2.2 Perceptions of Societal Benefit, Trustworthiness, and Greenwashing”. [↑](#footnote-ref-2)
3. Binomial GLMs were ran on binary BCorp vs. Other (aggregate of NonBCorp and NoPreference) choices. [↑](#footnote-ref-3)
4. Measured as a composite score derived from four of the survey’s questions, measuring participants' trust in B Corps to uphold moral and ethical commitments. [↑](#footnote-ref-4)