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**Consumers' perception of quality and factors of purchase in the  
context of a social enterprise:**

**An exploratory study based on *Cozinha com Alma***

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Title: Consumers' perception of quality and factors of purchase in the context of a social enterprise: An Exploratory study based on *Cozinha com Alma*

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## **Abstract**

This dissertation examines the consumer response to a particular social enterprise, Cozinha com Alma. Focusing on consumer behaviour, mainly in terms of perception of quality and factors of purchase, the research explores the utilitarian value of the product offered by this organization as compared to the desire of the customers to help the families in need as the primary factor for purchase.

Thus, the aim of the present dissertation is to clearly understand the customer's perception of quality of a social enterprise, how it affects the consumer's factors of purchase, and the impact it has in the business. To that purpose, a qualitative study was conducted based on semi-structured, face-to-face interviews to the consumers of this social enterprise.

The research concluded that, although the utilitarian value somewhat motivated the purchase, consumers widely valued the helping dimension of the exchange. Research on this topic is still lacking. The main findings show that the concept of social enterprises is not perceived as deterrent for quality. Also, and contrarily to the existing literature, few consumers are able to see their purchase as purely due to solidarity reasons. Meaning that, there are many other factors of purchase involved. Thereby, the present dissertation makes a contribution to the literature not only to the consumer behaviour field but also to the concept of hybrid organizations and more specifically social enterprises by examining how consumers behave in its context.

Keywords: Hybrid organizations, social enterprises, consumer behaviour, perception of quality, factors of purchase

## **Resumo**

Esta tese pretende explorar a resposta dos consumidores face a uma organização social, com o nome de Cozinha com Alma. Focado no comportamento do consumidor, especificamente em termos de percepção de qualidade e motivos de compra, este estudo examina o valor utilitário dos produtos oferecidos pela organização em comparação com o desejo de ajudar os principais beneficiários como um dos principais motivos de compra.

O objetivo desta dissertação é perceber qual a percepção da qualidade que o consumidor tem acerca dos produtos vendidos numa organização social, quais os motivos de compra, e por fim como é que o funcionamento e negócio da mesma é afetado. Por esta razão conduzimos um estudo qualitativo com recurso a entrevistas semiestruturadas a consumidores desta organização social.

A pesquisa concluiu que apesar do valor utilitário ser um fator parcial de compra, os consumidores valorizam mais o fator ajuda no momento da compra. Os resultados demonstram que o facto de ser uma organização social não implica que a qualidade é menor. Adicionalmente, poucos consumidores veem a transação apenas por razões de solidariedade demonstrando que há muitos outros motivos de compra envolvidos.

Literatura sobre o tópico ainda são escassas. Deste modo, a presente dissertação contribui para a literatura não só no campo do comportamento dos consumidores, mas também para o conceito

de organizações híbridas, mais especificamente para as organizações sociais, ao analisar como é que os consumidores se comportam neste contexto.

Palavras-chave: Organizações híbridas, organizações sociais, comportamento do consumidor, percepção de qualidade, fatores de compra

## **Acknowledgements**

Throughout my academic study years, I developed an interest in consumer behaviour and how consumers make their decisions, especially in daily situations. Given the economic conjuncture of the past years, both social innovation and entrepreneurship significantly increased. However, the literature fails to examine how these two concepts relate themselves. Therefore, I decided that understanding how consumers behave in social enterprises was a topic that was relevant, updated and that personally interested me.

Firstly, I would like to thank my supervisor Prof. Marta Bicho, for her help, research assistance, support and ongoing availability throughout the dissertation process. Her experience and knowledge in the field of social enterprises, marketing, and entrepreneurship alongside her valuable feedback and positive energy were essential to the development of this dissertation. Thank you, professor, for being an excellent supervisor.

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## **List of Abbreviations**

Cozinha com Alma- CcA

Corporate Social Responsibility- CSR

## **1. Introduction**

### **1.1 Problem Definition and Relevance**

Nowadays, “we are living in a world where business requirements meet increasing societal demands” (Santos, Pache, & Birkholz, 2015, p.1). Therefore, and given these increased demands, the market for social entrepreneurship and namely hybrid organizations is increasing. Filipe Santos, a professor at the Lisbon MBA, outlines that social entrepreneurship is defined as the development and validation of new solutions to important and neglected society problems (Jornal de Negócios, 2017). Nowadays, and according to the Global Entrepreneurship Monitor, social entrepreneurship initiatives involve between 2.5% to 5% of the European population and it is used as a tool to increase justice and prosperity. Thus, social entrepreneurship is positively influencing businesses and enterprises are progressively incorporating principles of sustainability into their cores (Jornal de Negócios, 2017).

Taking all into account and for the purpose of the present study, we need to know what exactly hybrid organizations are. Hybrid organizations are described as enterprises that primarily pursue a social mission but rely on profit to sustain their operations and to fulfil fiduciary obligations (Battilana & Dorado, 2010; Hockerts, 2015), meaning that they combine a social and a financial component simultaneously (Hai & Daft, 2016).

These organizations tend to offer goods and services that the public institutions fail to deliver and to satisfy the needs of society (Smith, 2017). Most of the literature has focused on the tensions and contradictory pressure between the social and financial components they combine (Battilana et al., 2015; Battilana & Lee, 2014; Pache, 2013). They can assume various organizational forms, one of them being the form of social enterprises (Battilana et al., 2015; Battilana & Lee, 2014).

Recently, social enterprises have been a subject of interest by many scholars (Dacin, Dacin, & Tracey, 2011; Dees, 2012; Doherty, Haugh, & Lyon, 2014; Ramus & Vaccaro, 2017) due to their novelty form of approaching societal problems regarding diverse issues namely the environment, poverty, and even social exclusion. Some researchers also make a connection between the concept of social enterprises and social entrepreneurship (Hibbert, Hogg, & Quinn, 2005), outlining that it can claim two forms to solve social problems: the first relates to the supply of public services that the public identities failed to provide; the second is of the

responsibility of individuals that create an innovative solution to a specific problem within the social economy (Hibbert et al., 2005).

Despite the aforementioned interest and merits of previous research, there is still little research available into the behaviour of the consumers that participate or benefit from these organizations.

In addition, most studies have been conducted in the field of Corporate Social Responsibility (CSR) and how it may affect the consumer behaviour (Deng & Xu, 2017; Hildebrand, DeMotta, Sen, & Valenzuela, 2017; Janssen & Vanhamme, 2015). Studies have shown that there is a positive link between a company's CSR actions and consumers' views on the company and their products (Sankar Cen, 2013). But how do consumers actually behave in the context of social enterprises? That is what this dissertation is set to examine.

## **1.2 Objective and Research Questions**

This dissertation aims to clearly understand the customer's perception of quality of a social enterprise, how it affects the consumer's factors of purchase and the impact it has on the business. Focusing on consumer behaviour, mainly in terms of perception of quality and factors of purchase, the research explores the utilitarian value of the product offered by *Cozinha com Alma*, a social enterprise, as compared to the desire of the customers to help the families in need as the primary factor of purchase.

In order to do so, this dissertation will examine this phenomenon via a study of the specific case of a non-profit Portuguese organization called *Cozinha com Alma*. The primary objective of this research is to develop a greater understanding of the consumer perception of quality and purchasing factors in social enterprises. Accordingly, this dissertation contributes to the evolving stream of research on hybrid organizations and specifically, social enterprises mainly via the consumer perspective (Hibbert et al., 2005).

While prior studies exist that investigate how the presence of an ethical (Carrington, Neville & Whitwell, 2010) and social component may affect the consumer behaviour, to the best of the author's knowledge, most of the research has been performed in the area of Corporate Social Responsibility (CSR) (Connors, Anderson-MacDonald, & Thomson, 2017; Deng & Xu, 2017). Thus, little research has examined how the consumer's behaviour changes in the context of social enterprises. For this reason, this is what this dissertation intends to explore.

Therefore, the following research questions are addressed:

*RQ1: How does the hybridity of social enterprises affect the consumer's perception of quality?*

The first research question intends to provide a fundamental understanding of how the perception of quality is affected in hybrid organizations. For instance, this dissertation will explore whether the factor of the organization being a social enterprise affects the perception of quality of the products and services to be lower. It also reflects on the initial motivation of the dissertation topic and gives reason to the present study. Theoretical framework regarding perception will be presented and discussed in the literature review section. To the best of the author's knowledge, the concept of hybridity and perception of quality is yet to be studied in the literature. Therefore, this question opens the way to completing a gap in the literature.

*RQ2: What are the factors of purchase in a social enterprise?*

The second question seeks to examine what are the factors of purchase in a social enterprise. For instance, the present study will try to examine if the primary factor of purchase is a consequence of the social component or whether there are other purchasing factors involved. Despite the existing research on this topic (Hibbert et al., 2005), there is still much more to be studied. Hence, this dissertation will also contribute to the extension of the literature on this topic.

### **1.3 Thesis Structure**

The dissertation is structured as follows: The first chapter gives an introduction to the problem statement and the structure of the dissertation. Furthermore, a review of the existing academic literature on hybrid organizations and social enterprises, consumer perception of quality and factors of purchase in social enterprises are presented since they support the purpose of this study. Followed by the methodology and data analysis' section where the results of the study are presented. At the end of the dissertation, conclusions are outlined as well as managerial implications and future research suggestions for the social enterprises' literature.

## **2. Literature review**

### **2.1 The concept of Hybrid Organizations and Social Enterprises**

In the beginning of the 1990s, non-governmental organizations (NGOs) that primarily provided loans to the poor concluded that the only way to keep abreast to the demand was to spin off commercial microfinance organizations (Battilana & Dorado, 2010). This, combined with the 2008 economic crisis and an increase in social consciousness, instigated an expansion in the number of organizations established to address issues linked to human rights and environmental causes (Hockerts, 2015).

Taking this into account, hybrid organizations were created. Hybrid organizations combine different organizational forms, one of them being social enterprises (Battilana et al., 2015; Battilana & Dorado, 2010; Battilana & Lee, 2014). In addition, hybrids aspire to supply high-quality goods and services while maintaining a positive role within the social and environmental systems in which they are included (Haigh & Hoffman, 2012).

One form of hybrid organizations which we address in this dissertation is social enterprises. Social enterprises are described as enterprises that primarily pursue a social mission but rely on profit to sustain their operations and to fulfil fiduciary obligations (Battilana & Lee, 2014; Hockerts, 2015), meaning that they combine a social and a financial component simultaneously (Battilana et al., 2015). On one hand, their social mission focuses on the alleviation of a particular social or environmental issue. On the other hand, they generate income and attract capital by selling goods and services that the public institutions fail to deliver (Battilana et al., 2015; Smith, 2017; Walker, Haigh, Bacq, & Kickul, 2015).

Several aspects differentiate these organizations from traditional businesses. They interact progressively with markets and competitors. Given their social component, instead of creating barriers of entry in the industry they operate, their aim is to promote their business model to other enterprises in order to achieve positive social externalities (Haigh & Hoffman, 2012).

Social enterprises have been attracting the interest of scholars for the past 20 years (Dacin et al., 2011; Dees, 2012; Doherty et al., 2014; Ramus & Vaccaro, 2017). Indeed, they represent an innovative and useful tool for addressing social and environmental problems (Ramus & Vaccaro, 2017) such as poverty, inequality and environmental degradation (Wry & York, 2017), while being self-sustainable through normal market conditions rather than relying on

public funding or donations (Ramus & Vaccaro, 2017). Although there is not a single definition of a social enterprise, most researchers agree that it premises the achievement of a social mission through commercial activities (Pache, 2013; Wry & York, 2017). As previously mentioned, there is still to be a solid definition of a social enterprise therefore, there are some definition differences in the US and Europe. In the U.S, social enterprises are believed to prioritize “revenue generation and exploitation of business opportunities”, differently in Europe, social enterprises are the basis of “social value creation and participative management” (Ramus & Vaccaro, 2017, p. 308). However, it is important to take into consideration the 2004 (p.14) definition of social enterprise given by the British Government: “a business with primarily social objectives whose surpluses principally reinvested for that purpose in the business, rather than being driven by the need to maximize profit for shareholder and owners” (Bland, 2010). All of the different definitions aforementioned outline two main characteristics of social enterprises such as the social mission and engagement of commercial activities for profit generation. This definition meets the idea that social enterprises are composed by a balance between pursuing social objectives and financial viability (Battilana & Lee, 2014). For the purpose of the present study, we will follow the definition presented by Pache, Santos & Birkholz (2015, p.37) which reads that social enterprises are “organizations that run commercial operations with the goal of addressing a societal problem, thus adopting a social or environmental mission” (Santos, Pache, & Birkholz, 2015).

Social enterprises serve two types of consumers simultaneously: the customers and the beneficiaries (Battilana et al., 2015; Santos et al., 2015b). The social objectives are communicated via their operations and products offered (Doherty et al., 2014). The customers are the ones that ensure the longevity of their financial activities by buying the products and services that are being offered. Furthermore, they expect goods and services at a competitive price and quality irrespective of the fact that the organization is a social enterprise (Battilana et al., 2015). The beneficiaries sustain their *raison d'être* by accomplishing their social mission (Doherty et al., 2014). For example, in a social enterprise, the customers can be the ones that pay the full price for the product while the beneficiaries can be those that pay a discounted price for the same product due to reasons such as being in financial difficulty.

Taking this into account, it is meaningful to understand how the hybridity of social enterprises affects consumer's perception in terms of quality and how consumer factors of purchase for buying products in commercial settings change in the context of social enterprises (Doherty et al., 2014).

It is important to study consumer's perception of quality due to the fact that this perception might change when included in an enterprise where the selling of products and services creates social value. In addition, consumer's factors of purchase are also relevant because it is useful to understand whether the consumer is buying due to the pursuit of social value and symbolism or due to other components.

Most studies have focused on specific sectors of hybrid organizations such as healthcare (Kimberly & Evanisko, 1981) and the arts (Battilana & Lee, 2014). However, recently social enterprises have spread into new areas namely retailing, consumer products, food, and financial services (Battilana & Lee, 2014).

Taking all into consideration, the present study will now focus on consumer behaviour in general, narrowing to the consumer's perception of quality and consumer factors of purchase in a consumer products' social enterprise.

## **2.2. Consumer buying behaviour**

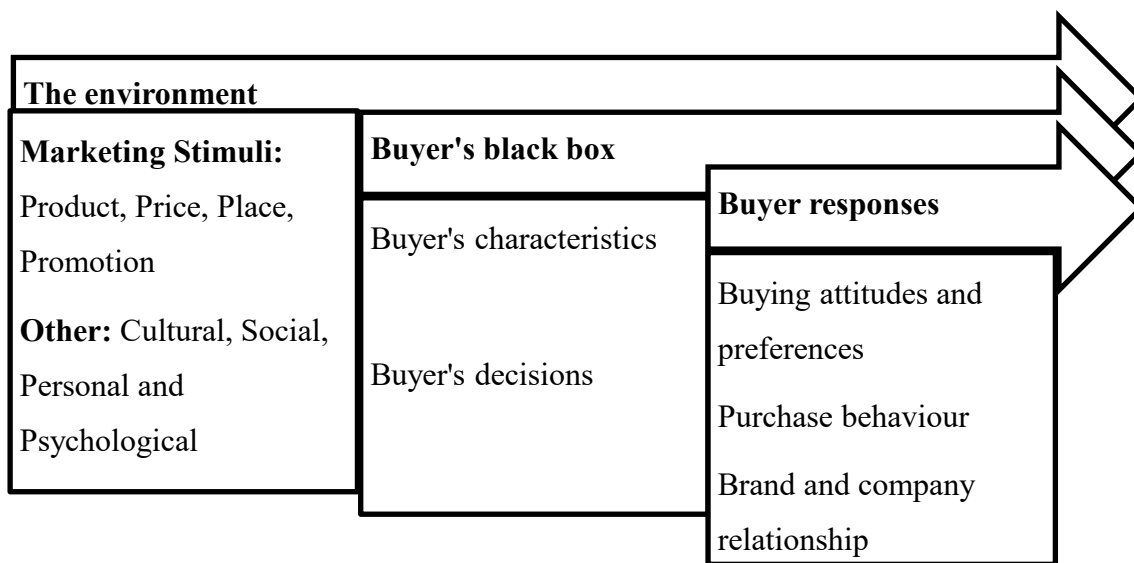
Consumer behaviour relates to the different forms people act as consumers mainly how they search, buy and use goods and services (Johns & Pine, 2002). Studies have primarily focused on the consumer behaviour in traditional commercial settings (Grubb, Field, Douglas, & Tarpey, 1967). Yet, it is worthwhile to study how the consumer responds to the beneficiary portrayal conveyed through the products and services sold in a non- traditional commercial setting of a social enterprise.

### **2.2.1 Characteristics affecting Consumer Behaviour**

Consumers make buying decisions every day and therefore, their buying decision is the focal point of sellers who try to learn what consumers buy, why, how and when they do it. Learning about the reasons why consumers buy a certain product or service is not always clear and often the consumers themselves do not actually know all the influencing factors behind their purchases (Kotler & Armstrong, 2015; Blackwell, Miniard & Engel, 2016).

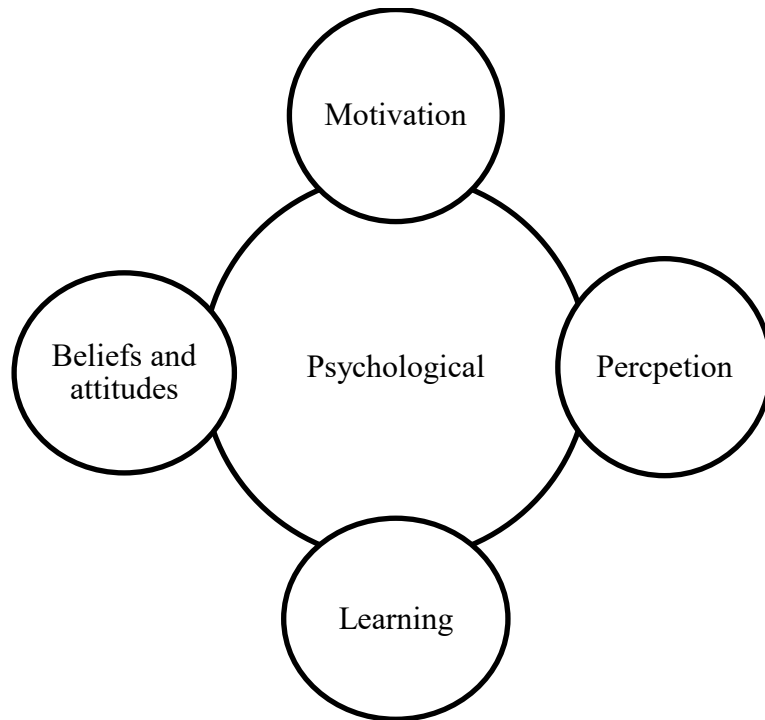
### 2.2.1.1 Characteristics influencing consumer's purchasing behaviour

Kotler (2015) outlines that consumer purchases are influenced by a variety of factors denominated by the general framework of *Environment*. Within this framework, we can distinguish two different stimuli: the *Marketing stimuli* and *Other*. The first one comprises the 4 P's (Product, Price, Place, and Promotion) while the second one includes the Cultural, Social, Personal and Psychological influences (Kotler & Armstrong, 2015).



*Table 1 Model of Buyer Behaviour (adapted Kotler and Armstrong (2015))*

For the purpose of this study, we will focus mainly on the Psychological factors. An individual's buying choices are based on four psychological factors: motive, perception, learning and beliefs and attitudes, as featured in Figure 1.



*Figure 1 Factors influencing Consumer Behaviour (adapted from Kotler and Armstrong (2015))*

Firstly, the motive behind purchasing is primarily to satisfy a need regardless of its origins. Abraham Maslow (Kotler & Armstrong, 2015) defined that people are driven by specific needs at specific times and that needs are in constant actualization. Secondly, Kotler and Armstrong (2015, p. 172) referred that perception is “the process by which people select, organize, and interpret information from a meaningful picture of the world”. Furthermore, experience affects the way people act. For instance, if a consumer buys a meal and the experience is positive and rewarding, he or she will probably repurchase the meal. The opposite happens with a negative experience and that is called learning from past actions. Finally, beliefs are described as an idea or thought that a person has about something (Kotler & Armstrong, 2015). Beliefs might not correspond to reality and prevent purchase (Kotler & Armstrong, 2015). For example, if a consumer holds a belief that meals sold at a social enterprise generally have a lower quality, it will prevent him/her from purchasing it. Sellers need to be aware of these negative beliefs and try to correct them. On the other hand, attitudes are “a person’s consistently favourable or unfavourable evaluations, feelings, and tendencies toward an object or idea” (Kotler & Armstrong, 2015, p.174). To sum up, these are the psychological factors that influence the buyer’s purchasing behaviour (Kotler & Armstrong, 2015).

Most studies have been conducted in the purchase behaviour of consumers of private enterprises. The same has yet to be studied in the context of social enterprises and how the

behaviour, mostly in terms of how the perception of quality and factors of purchase are altered when there is a social component involved.

In this dissertation, we will try to explore if in the context of social enterprises consumers are more influenced by the marketing stimuli or the other, specifically the psychological factors.

### **2.2.2 Perception**

Consumers are surrounded by “big, booming and buzzing confusion” of information. In order to understand it, they must select the information that is relevant to them. After the selection of that information, consumers process the information based on psychological research such as perception (Mcguire, 1976).

According to Zeithaml (1988, p.2), “consumer perceptions of price, quality, and value are considered pivotal determinants of shopping behaviour and product choice” (Zeithaml, 1988). For the purpose of this study, we will now focus on the concept of perceived quality.

### **2.2.3 Perceived Quality**

The shopping behaviour and product choice of a consumer are determined by their perception of quality (Zeithaml, 1988). In order to form a perception of quality on a particular product or service, consumers look at the product attribute information and price (Chang, 1994). Therefore, it is important to assess how quality is indeed perceived. Quality and Perceived Quality are two distinct terms. The first one is objective, linked to the superiority or excellence of the product while the second one can be described as the judgment made by a consumer about the product’s excellence (Zeithaml, 1988).

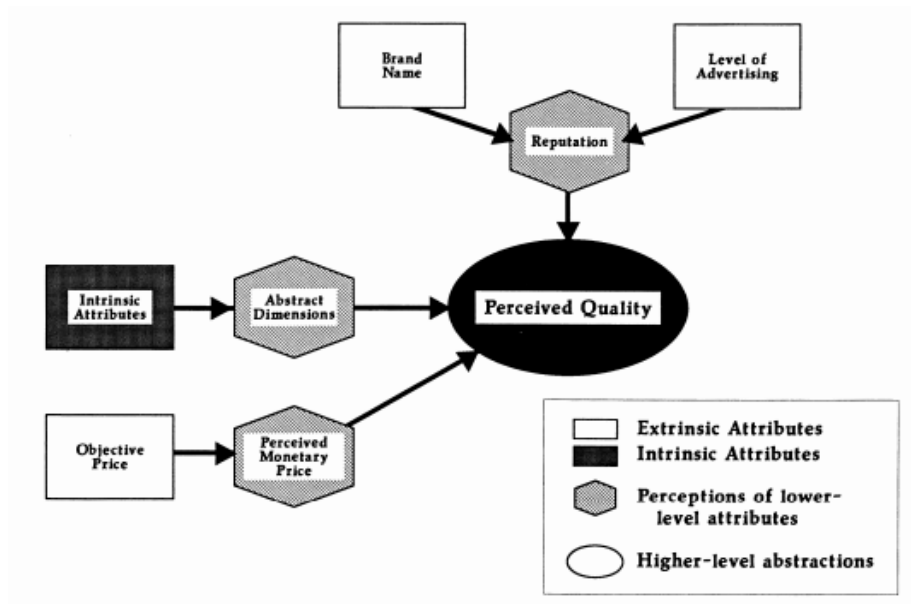


Figure 2 The perceived Quality Component (Zeithaml (1988))

Overall, a product’s quality can be evaluated as high or low depending on its superiority when compared to its substitutes. Studies show that a product perceived quality comes from all its intrinsic attributes, its objective price and reputation namely brand and level advertising, as we can see in Figure 2 (Zeithaml, 1988).

In the present dissertation, we will explore how the concept of perceived quality is influenced in the context of social enterprises.

### 2.3 Corporate Social Responsibility, Consumer Behaviour and Consumer Perception

First of all, the following topic has the main objective of connecting a type of social component present in the context of CSR and the impact it can have on the consumer behaviour overall. Due to the scarce literature on the topic of social enterprises, we chose to use CSR as an example. However, we are aware that CSR is not directly connected with the topic of this dissertation.

Studies relating social components and how they impact consumers have been done mostly in the Corporate Social Responsibility field (Connors et al., 2017; Deng & Xu, 2017; Lindgreen & Swaen, 2010). Research has shown that when organizations link themselves to Corporate Social Responsibility (CSR), there is a positive influence in consumer’s outcomes (Sankar Cen,

2013) in regards to how they see its products, the organization itself and even increased brand awareness (Green & Peloza, 2014).

There have been contradictory opinions regarding the effect of CSR on consumer's perceptions. Some studies outline that some consumers do not place a high value on products with CSR attributes or with a social component itself. It all depends on other factors such as price, consumer awareness of CSR attributes in the organization, tastes, and preferences and even the price of substitute goods (McWilliams, Siegel & Wright, 2006). McWilliams and Siegel (2006) refer that when comparing two substitute goods, one with CSR attributes and other without, consumers will choose the one with the lower price. Therefore, price still affects the demand for these products irrespective of their social weight (McWilliams et al., 2006). On the contrary, other defend that the willingness to pay increases for products that support a social cause and are open to change from a brand to another if it is offered by a socially responsible company (Stefańska & Wanat, 2014). According to research conducted, 76% of consumers said that if the price and quality are similar, they are willing to switch from one brand or place of purchase of a product to another associated with a social cause they defend. In addition, irrespective of a product or service is linked to a social cause, traditional factors such as quality, place, promotion, and price still impacts the consumer's behaviour (Stefańska & Wanat, 2014).

To the best of the author's knowledge, the same has not been done to the concept of hybridity and social enterprises and how their association simultaneously to a social and financial mission influences consumer's perceptions and behaviour. For instance, Hibbert, Hogg, and Quinn (2015) examined the consumer response to a social entrepreneurship initiative called the Big Issue. This study focused on the utilitarian value of the product as compared to the motivation to help those in need as the primary factor of purchase (Hibbert et al., 2005). The same is yet to be studied in the field of social enterprises.

In conclusion, studies have demonstrated that social components do in fact impact consumer perceptions and behaviours. However, it has not been studied that the same happens regarding hybrid organizations, i.e. social enterprises, and that is one of the reasons why this dissertation will make a contribution to the existing literature. The objective of the present dissertation is to understand the client's perception of quality of a hybrid organization, how the factors of purchase for buying products in commercial settings change in the context of social enterprises and how it impacts the business itself.

### **3. Research setting- Cozinha com Alma**

This dissertation will follow an exploratory study. Given the novelty and infancy of the study, one of the best options to develop the concept is through studying a real example, in this case, Cozinha Com Alma. Firstly, Cozinha com Alma serves as a good example due to its pioneer model and it is a pure concept of a social enterprise as stated by Filipe Santos in *Jornal de Negócios* (*Jornal de Negócios*, 2017) As a social enterprise, it has received several awards and recognitions such as Prémio Manuel António da Mota, Prémio Grupo ETE and Prémio AHRESP amongst others (Cozinha com Alma, 2017). In addition, it serves two types of customers: the users and the beneficiaries. By doing so, it allows us to study how these two different groups react to the hybridity of the organization via their products.

#### **3.1 General framework and industry**

The social entrepreneurship sector in Portugal has significantly changed over the years and especially in the last five years. As mentioned before, the economic crisis of 2008, followed by a period of economic instability through the early 2000s have given rise to social initiatives. These initiatives are translated into a number of new organizations and practices that are regarded as unique, even in a European context (European Commission, 2014).

In Portugal, social enterprises can follow different legal forms such as Cooperative, Foundation, *Misericórdia* or Association. Cozinha com Alma is an association. According to data from 2008, the most common form is ‘association’, representing 71% of the total number of social enterprises in Portugal. In terms of the fields of activity they operate in, the 2013 satellite account of the Portuguese social economy shows that social action, culture, education, sports and recreation are the most frequent (European Commission, 2014)

#### **3.2 Brief overview**

Cozinha com Alma (CcA) is a social enterprise and Portuguese impact venture (Carvalho, Azevedo, Santos, & Cotter Salvado, n.d.) founded in 2012 in Cascais, Portugal. CcA aims to address the needs of the middle-class segment that was facing the reality of an emerging poverty regarded as *Ashamed Poverty*. The *Ashamed Poverty* (Estanque, 2012) is a consequence of the 2008 economic crisis and its effects such as the increase of unemployment rates and heavy tax

obligations. It is used to define the middle class that suffer of poverty having shame taking into account their social class. Studies outline that the middle class was the class that suffered the most with the crisis (Jornal de Negocios, 2012). Moreover, DECO (2016) concluded that the real effort rate of debt in Portuguese households is approximately 70% when compared to the recommended rate of 35% (Deco Proteste, 2017). In addition, and since 2015, the number of Portuguese families that request the support from DECO (2016) to help them control their excessive amount of debt has increased almost 300% (Deco Proteste, 2017). Families were facing excessive debt and were not able to repay via their disposable income. Having in mind that the debt negotiation process is difficult to renegotiate (Deco Proteste, 2017), several families were unable to afford to buy food for their families at regular prices.

Confronted with this issue, Cristina de Botton and Joana Castella decided to launch CcA: a social takeaway open to the general public where all its profits are applied in a social bursary. This social bursary is later used to support families in need by providing them with price-reduced meals. Their target is the low-middle class families living temporary financial difficulties that enable them to have access to a complete meal per day (Cozinha com Alma, 2017). CcA not only gives them healthy balanced meals but also some time to reorganize their lives and overcome their financial difficulties with dignity not having to resort to food banks (Carvalho et al., n.d.).

After it launched, CcA rapidly gave evidence of efficacy and success. At the end of 2012, its takeaway had sold more than 40.000 meals which generated a volume of business of almost 170.000€ while subsidizing meals for 50 beneficiaries. When comparing the year in sales in euros from 2012 to 2015, CcA had a growth of approximately 238%. In 2015 and the volume of business was of 569.070€ in total. Only 3.8% of this value corresponds to sales to the beneficiary families (Cozinha com Alma, 2017).

Currently, CcA has reached its breakeven point and its full production capacity due to both physical constraints of infrastructures and limited resources (money, space, equipment and volunteers). This capacity bottleneck is restraining both the organization's ability to respond to the increasing demand for the general public and requests for beneficiary families.

Taking this into consideration, and as a social enterprise, Cozinha com Alma is often caught between the competing demands of the market and the social welfare logic that it combines (Pache, 2013). Therefore, it is important to understand whether its customers are buying their

products due to their social mission and aspirational nature of socially minded consumers or due to other components.

Finally, the mission of CcA is to enable the access to a nutritive meal and provide its target customers with support to overcome their financial situation through a tailored training program. It is also important to take into consideration that CcA has two distinct types of consumers: the customers whom they define as the general public and the beneficiaries which are the families they support via a social program. Below you can find a table that summarizes all the different characteristics of these two types of customers (Cozinha com Alma, 2017).

<b><u>Beneficiaries</u></b>	<b><u>General Public</u></b>
<b>Unstructured families-</b> Middle or Low-class single-parent families, unemployed, recipients of unemployment subsidy or minimal wage without other types of revenues.	<b>Takeaway fans-</b> Local community-Cascais, High or Middle class. They have the financial capacity to pay 100% of the price; they look for diversified and homemade meals. Normally they do not have time to cook or live alone.
<b>Ashamed families-</b> Middle-class families not used to be in economic difficulties. In which the husband’s salary represents a big part of the family revenues, who used to have a good job. They usually are highly educated and ashamed of their situation.	<b>Proximity users-</b> Usually older customers that due to their proximity are regular clients and buy a meal every day.

*Table 2 Customer's profiles*

**3.3 Social Program of CcA**

The social program is divided into different phases. In the initial phase, the beneficiary families are selected by the Social Committee of Parish Council (see Appendix A). Afterwards, they are evaluated and classified into three different categories according to their income per capita (see Appendix B). Accordingly to these categories, families will benefit from a discount of 70%, 80% or 90% respectively when they purchase meals in the CcA’s store. Beneficiary families are allowed to purchase up to one meal a day per individual with their respective discount (Cozinha com Alma, 2017).

Alongside this program, families have access to a tailored monitoring and training program in order to provide them with tools to overcome their financial situation. These training programs focus mainly on topics such as the control and the management of credits and are lectured by either individual instructors or entities such as Mypeople or ASFAC (Associação de Instituições de Crédito Especializado- Association of Specialized Credit Institutions).

The program has the length of six months. However, and in specific situations, there is the possibility of extension for an additional six months based on a new assessment of the beneficiary families. Usually, CcA selects new families each quarter of the year (Cozinha com Alma, 2017).

### **3.4 Strategy of CcA**

As mentioned before, and based on the premise of CcA being considered a social enterprise, it serves two types of clients: the general public and the beneficiaries. The beneficiaries are the pillar of the organization, nevertheless, the strategy of CcA is to be considered the first choice of its general public (Cozinha com Alma, 2017). This strategy is based on two main reasons: firstly, the profit from the general public is essential to assure the viability of the social program and to provide meals to the beneficiaries. Secondly, it is translated into the continuous effort to achieve high-quality standards of its products and services but also credibility amongst the competitors in the takeaway food sector (Cozinha com Alma, 2017).

Taking all of this into account, CcA has a weekly menu (see Appendix C) with different dishes per day which allow both of their consumer's groups to have access to varied meals. Furthermore, their marketing and communication strategy (see Appendix D) is also customer-oriented from posting daily on their social media platforms to the personalized packaging amongst all the products with the CcA logo.

At the same time, CcA created a pre-charged card for the general public in order to protect the anonymity of the beneficiaries. With this action, every client has a card in order to avoid discrimination.

### **3.5 The financing and funding model**

As a social enterprise and in order to fulfil its social mission, CcA adopts a Cross- Subsidization or cross-segment financial mechanism (Carvalho et al., n.d.). This means that the revenues from the meals that are sold to the general public are used to finance the reduced price meals to the families in need or beneficiaries, that otherwise would not be able to buy them in normal market conditions. It is based on the “one for one model” because, for each meal sold, CcA finances a part of a meal to a beneficiary (Cozinha com Alma, 2017).

As previously mentioned, the price per meal paid by the beneficiary fund varies according to the respective financial situation. Moreover, each family has a client membership card (as seen in Appendix D) and the price for a full meal can vary from 0.50€ to 1.50 € (as seen in Appendix C) (Carvalho et al., n.d.).

CcA features a reasonable ratio between the revenues from the sales to the general public and the total operation costs (see Appendix E). The operational costs mainly consist of the costs of producing the meals and the cost of selling the meals to the beneficiaries below its production costs. Although it is a social enterprise, CcA still needs to cover these costs.

In order to alleviate this financial model and to improve its cost savings, CcA has adopted a volunteering scheme. Moreover, CcA has a volunteers’ network of around 88 people which allows them to have significant savings regarding staff costs. In terms of the production costs, the organization established several partnerships with diverse suppliers that provide specific raw materials and services at a reduced or free price. Over and above that, CcA has an established partnership with the Cascais City Hall since it first launched. This partnership provided essential infrastructures to the project such as the store and the kitchen’s facilities free of rent in the promise of providing 50 daily meals to the kids of a nearby school (Carvalho et al., n.d.)

Taking all into consideration, the sustainability of CcA and its business model depends on its cost structure. It allows them to sell its products to the general public at competitive prices and to subsidize the discounted-price meals to the beneficiaries.

Lastly, CcA represents an innovative solution and success in the field of social enterprises as previously mentioned. Bearing this in mind, this setting is adequate to pursue this study.

## **4. Methodology and Data Collection**

The objective of this chapter is primarily to answer the two research questions of the present study. In addition, it justifies the use of a qualitative method approach to the problem, the choice of data collection and chosen type of analysis.

### **4.1 Research Method**

Given the lack of information and the novelty of the subject presented (Battilana et al., 2015; Battilana & Lee, 2014; Ramus & Vaccaro, 2017), we chose to address our research questions through an inductive study. Also, this research is not designed to confirm hypotheses regarding the perceived quality and purchasing factors of CcA, rather it is designed to gain a better understanding of how consumers perceive their products in terms of quality and the reasons why they buy them.

We conducted our research using a qualitative method via a series of in-depth interviews to the general public customers of CcA. One of the reasons why this was the selected method was due to the fact that the impact of hybridity on consumer behaviour still remains unknown. Therefore, the qualitative method was the adequate choice to “discover and understand what is behind this phenomenon” (Strauss & Corbin, 1990, p.19). In addition, qualitative research is described as an “approach for exploring and understanding the meaning individuals or groups”, in this case consumers, to a social or human problem (Creswell, 2014, p. 32) and as a form to search for a meaning, to answer questions related to human behaviour and to understand how people feel and think (Gillham, 2000, p.10), which is what this study aims to do: to examine how the perceived quality and purchasing factors change in a social enterprise context.

Regarding techniques, and as previously mentioned, interviews were the elected ones. According to Creswell (2014, p. 241), interviews are useful when the researcher wants to control the line of questioning, when participants cannot be directly observed (Creswell, 2014) and when the researcher wants to explore a person’s thoughts and behaviour (Boyce & Neale, 2006). In terms of the type of interviews, we used semi-structured, face-to-face interviews.

According to different authors, there are several advantages in pursuing interviews that are semi-structured and face-to-face. Below, you can find them organized in a table:

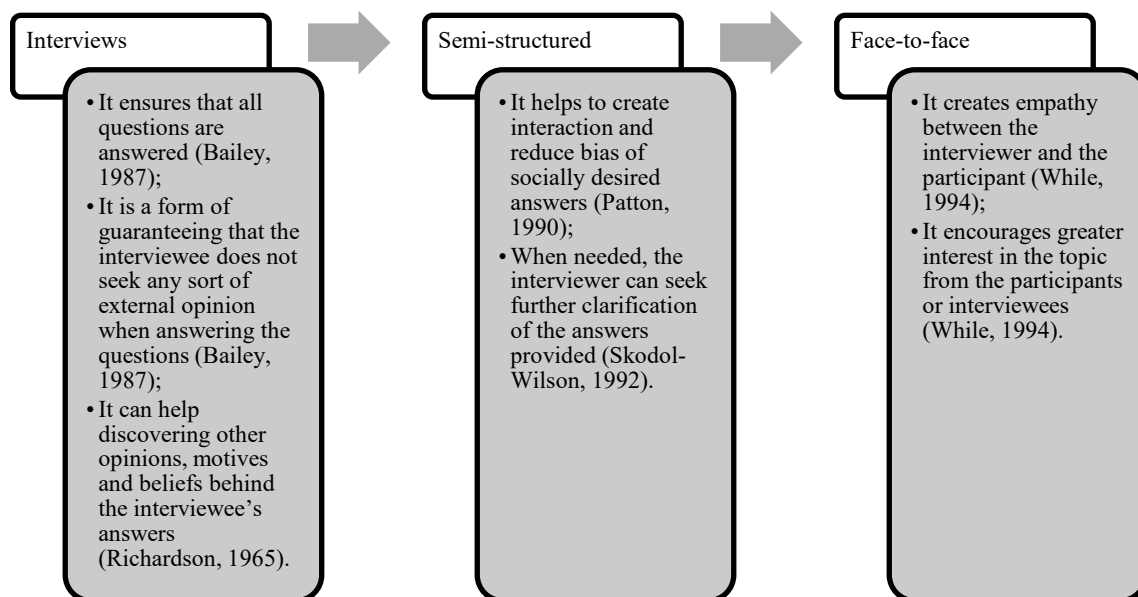


Figure 3 Advantages of semi-structured, face-to-face interviews

## 4.2 Development of the data collection instrument

Two main research instruments were created: a pilot and a main protocol. These instruments were both interview protocols. In the case of the pilot, the protocol was sent via e-mail to the workers of CcA in order to gather feedback and it was shared via e-mail with third parties as well. A detailed definition of the instruments is provided next.

### 4.2.1 Pilot Protocol

The protocol was pretested prior to the interviews to ensure that the questions were clear and understood by the potential participants. It was also important to test the interview flow for the type of message appeal to be used in the main protocol. It was distributed to third parties that had no specific knowledge on the topic as well as to the organization employees.

The questions presented in the pilot were generally the same as the ones used in the main study. The difference was in terms of their organization, word's and question's order. In the pilot, questions were organized by groups such as Motivation, Perception, Attitudes and Beliefs.

It is also important to outline that the Executive Director of CcA was present throughout the process of the creation of the protocol either by back and forth e-mails or in person when needed.

At the end, feedback was received and a few changes were made in order to create the final version of the interview protocol used in the main study.

#### 4.2.2 Main Protocol (see Appendix F)

The main protocol was developed based on the feedback gathered from the pilot. Instead of maintaining the original groups previously mentioned, the questions were reorganized from the most general question to the most particular one, in order to reduce the occurrence of biased answers.

### **4.3 Participants**

Regarding the sampling of the study, non-probability techniques were the elected ones. These can be divided in purposive, convenience, snowball, self-selection and quota sampling (Kothari, 2004). Since this is an exploratory study set to explore the response of consumers to a social enterprise, it is not expected to be generalized to the rest of the population. Therefore, a convenience sampling is the most adequate for this purpose.

Overall, we collected 30 semi-structured interviews that lasted between 30 and 45 minutes. All of the interviews were audio recorded and further transcribed for analysis. This recording tool is used in order to avoid any interviewer bias, mistakes and it captures the entirety of the participant's answers.

The interview guide was developed to safeguard that all topics of interest were covered and to allow the researcher to focus on the interviewee's responses (Kennedy, Arnould, & Locander, 2003). Several consumers were interviewed on multiple occasions over the course of two weeks. The interviews took place in various locations depending on the availability of the interviewees. These locations included the CcA store, the recreational group of Pampilheira, a store where one consumer worked, a coffee shop and a house of another participant when they could not go to the physical store. We interviewed 30 general public customers and had an informal interview with two beneficiaries.

Most of the participants lived in Cascais. Amongst the 30 participants, 24 were female and only six male. In terms of age, it predominantly ranged from 40 to 60 years old. Regarding the instruction level, the sample covers different degrees namely from High School up to PhDs. Lastly, the salary levels were also diverse ranging from 500€ per month up until 2500€ and more.

In order to protect the identity of the participants, all the names used are fictitious (see Appendix G).

#### 4.4 Qualitative Analysis Method: Thematic Analysis

As previously mentioned, qualitative analysis is set to evaluate and reach an understanding of complex phenomena. Thematic analysis is defined by Braun and Clarke (2006) as “a method for identifying, analyzing and reporting patterns within data”. Marshall and Rossman (1999, p. 150) outline that thematic analysis is the process of “[...] bringing order, structure and interpretation to the mass of collected data [...] It is the search for general statements about relationships among categories of data [...] it is the search among data to identify content” (Marshall & Rossman, 1999)

Thematic analysis is also beneficial in that it analyses data by principal concepts or themes while reducing it to main ideas to be extracted forward (Woodruff, 2013).

The data analysis in this dissertation was supported by the use of Nvivo. Nvivo is a qualitative software which helps organize and analyse qualitative methods.

In order to do the thematic analysis, these are the steps that were followed in this dissertation:

Step	Description
1. Organization of the data	Audios are transcribed, read in detail and important aspects are highlighted
2. Creation of codes	With the support of Nvivo, interview transcriptions are coded. This will enable the grouping of identical codes
3. Searching for categories and themes	The previous codes are organized into themes and sub-themes

4. Testing the themes	Data and themes are reviewed and cohesion between them is tested taking into account the research problem
5. Definition of the final themes	Themes are reviewed and thematic titles finalised
6. Data analysis	Write-up of the analysis using examples from the transcribed interviews

*Table 3 Thematic analysis steps*

## 5. Analysis and Results

This chapter includes the report on the thematic analysis present in this dissertation. It aims to answer the research questions previously mentioned.

During the interviewing process, participants were asked to express their opinion on their purchasing motives, the perception of quality and their view of the organization. In no specific order, several topics were covered:

- Cozinha com Alma's general knowledge of the participants (e.g.: mission, target and way of working);
- The consumers purchasing motives at Cozinha com Alma;
- The perception of the products quality at a social enterprise;
- How consumer purchasing motives change when price also changes;
- The characterization of Cozinha com Alma through the eyes of the consumer;
- The general opinion about the organization.

This analysis is divided into themes which aim to answer the established research questions. The results show that there are some topics where the interviews are mainly in accordance, whilst others where opinions are more contrasted.

Before the thematic analysis, please find a table below with a summary of the codes and the respective theme.

### Codes

- Expectations
- Perception

- Feelings
- Motivation
- Motivation vs. Price change
- Valuable attributes

### Themes

Perception of Quality

Consumer motives

*Table 4 Codes with respective themes*

The following thematic analysis will be divided into two main themes as previously featured in table 4. Each of them is subdivided into several sub-themes. Below, you can find the themes and sub-themes organized in a table:

<b>Theme</b>	<b>Sub-themes</b>
Perception of Quality	<ul style="list-style-type: none"><li>• The effects of hybridity on quality's perception;</li></ul>
Consumer motives	<ul style="list-style-type: none"><li>• Characterization of CcA through the consumer's eyes;</li><li>• Purchasing motives of CcA's products;</li><li>• The effect of price fluctuations on the consumer purchasing motives;</li><li>• Relationship between income and purchasing Motives</li><li>• The impact of the social element on the consumer's purchasing feelings;</li></ul>

*Table 5 Themes and sub-themes*

## 5.1 The perception of quality of the products sold at a social enterprise

### 5.1.1 The effects of hybridity on quality's perception

One of the research questions this study is set to answer is whether the fact of being associated with a social cause influences the perception of quality of the consumers. To better understand the consumer's opinion they were questioned on their perception of quality if they were to go to a dinner and someone served them food that was bought in a social enterprise that supported the homeless cause. The majority of the participants disagreed that the perception of quality is altered in these circumstances. This can be exemplified by the following citation: *No, I would not have any prejudice towards it...I would not think that the social cause was going to affect the quality of the food. I would eat it without any problems (Madeleine, 44, High School degree)*. Contrarily, two participants claimed that they would somehow have doubts regarding the quality of the food. To better illustrate this, one consumer stated that he felt that if he did not know CcA, he would have concerns about where the food was coming from and if it was good enough. Therefore, and in terms of the perceived quality, knowing CcA influences the opinion of the consumer to some extent:

*Knowing CcA I would not have as many doubts but I would still have concerns regarding the origins of the food and its quality.*

*Paul, 53, High School degree*

The other similar consumer reaction was:

*Well, if someone offered me that for dinner I would definitely be having some doubts about its quality.*

*Elli, 75, High School degree*

As a result, to most consumers, hybridity does not affect their perception of quality. Meaning that the fact that CcA is associated with a social cause does not signify that the perceived quality of their products is necessarily lower. Lastly, to the best of our knowledge, it is also important to highlight that the perception of quality in a social enterprise has yet to be addressed in the literature.

## **5.2 Understanding consumer motives for buying at CcA**

### 5.2.1 Characterization of CcA through the consumer's eyes

In order to better explore the consumer motives for buying at CcA, our study aimed to first understand how the participants saw the organization in general. This will then be compared to the consumer motives for purchasing at CcA. In order to do so, participants were asked to describe CcA in just three words.

This question presented two contrasting choices of words. Half of the interviewees used a word that was somehow related to the social component of the organization. This can be exemplified by the following quotes:

*I would use affectionate, dedicated and solidarity.*

*George, 45, Bachelor's degree*

*I would describe CcA as being innovative, social and functional.*

*Caroline, 53, Bachelor's degree*

The other half focused mostly on more usual attributes related to an ordinary takeaway, such as:

*Practical, varied and of good quality.*

*Peter, 83, Bachelor's degree*

*The three words that I think of are quality, nice people and good service.*

*Stella, 54, Bachelor's degree*

Given the exploratory nature of this dissertation and the lack of literature on the topic, there is nothing to support this theme. However, this characterization can later be added to the purchasing motives of the consumers.

### 5.2.2 Purchasing motives of CcA's products

The other research question this study sets to answer is to understand the consumer motives for buying at CcA. Moreover, consumers were asked about the reasons why they purchase at CcA.

Faced with this question, and opposed to what was seen in the literature, most of the consumers outline the utilitarian value of the product more than its social characteristic. Taking this into account, many consumers shared opinions like this:

*The food quality is obviously one of the reasons and the good and fair relation of price versus quality that Cozinha com Alma offers also plays a role in my choice.*

*Sandra, 35, Bachelor's degree*

When faced with the same question some participants gave a more direct answer saying that the reason for buying food at CcA is mainly based on the relationship between price and quality:

*The relationship between price and quality is the reason why I come here, my choice is primarily based on that.*

*Rita, 42, Postgraduate degree*

The fact of being practical was also one of the most common motives that were mentioned, in addition to its adequate price and quality, more specifically the price-quality ratio. However, it can be highlighted that the social component is not a solo purchasing motive, all the participants mentioned it in addition to other factors such as convenience and price-quality ratio. Hence, some participants also outline the awareness of the helping component of the exchange.

*It is quite selfish of me but honestly, I come here due to its convenience. In addition, I also feel that I am contributing to the well-being of others.*

*Elizabeth, 74, Bachelor's degree*

*Firstly, I support the cause that CcA supports and feel like I am helping other families when I come here. But, also due to the quality they offer.*

*Stella, 54, Bachelor's degree*

Other consumers fail to identify the social component when mentioning the practical element as the previous consumer did:

*What I value the most is the fact that I do not have to cook. Firstly, because I do not know how to and secondly because this way is much easier and much more practical. It is literally as simple as buying it and heating it when I get back home.*

*Mary, 63, High School degree*

*I buy my food here because I do not have the time to cook, and that is the main reason behind it. And then, when I get home I just heat it and the job is done.*

*Simon, 47, Bachelor's degree*

Previous literature demonstrated that, although many consumers place some utilitarian value on the product sold at a social enterprise, few are able to see its purchase as purely commercial (Hibbert et al., 2005). However, in our dissertation, we can see the opposite. In our case, the majority of the consumers look at the purchase as a commercial exchange for their own benefit and do not place so much emphasis on the associated helping element. As previously highlighted in the literature review section, we can conclude that consumers place more relevance to the marketing stimuli. To sum up, the purchasing motives that were mentioned during the series of 30 interviewees were: convenience, price-quality ratio, location and lastly, solidarity.

### 5.2.3 The effect of price fluctuations on the consumer purchasing motives

We know now from the various citations presented above that price is undoubtedly one of the factors that consumers take into consideration when buying. In order to further analyse how price and consumer motives are aligned, a situation was presented for the consumers to comment on. This situation was based on the existence of two takeaways that offered the same quality but different prices, one of them had a higher price due being associated with a social cause.

This question had contrasting answers, most of the consumers mentioned that the social cause was what mattered the most. On the contrary, the rest of the participants would not pay attention to it.

*If the difference in price was not significant, I would choose the one with the social component assuming that the increase of price didn't exceed 10-15%.*

*Marianne,, 55, PhD*

Below, a consumer stated that the social component would not play a significant role:

*I would choose the one that had the best service and nicer employees. Given that I am a volunteer, I think I already do my 'role' in helping others by giving them some of my*

*time. Therefore, I would not look at the social element and I would still choose the one with the best service, always by appreciating the one where I feel the most welcome.*

*Rita, 42, Postgraduate degree*

Additionally, another consumer also shared a similar point of view:

*I don't know whether I would think about the associated social cause...in a situation like that, where I had to get food last minute for my guests I would opt for the closest one to my house and maybe the one with more variety, but not necessarily the social one or the cheapest one.*

*Peter, 83, Bachelor's degree*

Although there is not literature to support this finding, in this theme we were unable to reach a consensus. Some of the people highlight that irrespective to the price increase they would still choose the one with the social element while others say that there would be other factors involved in the decision such as service and location.

#### 5.2.4 Relationship between income and purchasing motives

In this sub-theme, this dissertation intends to study whether the salary level influences the consumer's purchasing motives. In order to do so, we examined the top salary level (2500€ and above) to see whether these participants mentioned the social cause in their answers and to examine whether there is a possible connection.

It is interesting to notice that, all of the participants with this salary level incorporated the social component into their answers:

*I care about everything with a social element. If a company has is related to a good cause I will value it a lot and hopefully buy its products. That is what happens here.*

*Meghan, 55, Postgraduate degree*

*I would always look for the one related to something social, which is always my main concern and the one I will always go for when comparing two products or services.*

*Carly, 74, Postgraduate degree*

As a result, we are able to conclude that income, in this case, can be indeed associated with the predisposition to help. In this dissertation, we identified that the higher the income the higher the predisposition to help. Again, to the best of our knowledge, there is still no literature on this topic.

#### 5.2.5 The impact of the social component on the consumer's purchase feelings

As seen in the literature, consumers tend to feel some sort of way after purchasing a product with a social element. Therefore, and in order to test that, participants were asked how they felt after a commercial exchange at CcA. Amongst the 30 interviews, the most common answers were based on solidarity or a feeling of help or no feeling at all.

For instance, the best quote to represent the feeling of helping others was expressed by Madeleine (44, High School degree) by claiming that: *what I feel is that I am truly helping while knowing that my purchase is contributing to help those in need.*

In addition, there were also some interviewees that openly shared that the commercial exchange had no impact on their feelings:

*None, I feel nothing. I do not come here to help others.*

*Peter, 83, Bachelor's degree*

Another consumer highlights that she does not always remember that she is buying from a social takeaway:

*I feel nothing...although I come here often, I don't seem to remember that I am helping anyone. I just don't feel it and I come here more due to its convenience.*

*Stephanie, 38, Postgraduate degree*

Interestingly, we can connect the consumer purchasing feelings to support our conclusion that most of the consumers see the commercial exchange at CcA for their own benefit. Furthermore, when consumers claim that they do not feel like they are helping that may emphasize the finding that the utilitarian value of the product is more important than its helping element. Yet, literature is lacking on this topic.

## **6. Conclusion of the study**

This final chapter of the present dissertation exhibits the main findings and conclusions. In addition, the limitations of the study and recommendations for further research are also highlighted.

### **6.1 Conclusions**

Several conclusions can be drawn from the findings of this qualitative study. It is important to be reminded of the two initial research questions: ‘How does the hybridity of social enterprises affect the consumer’s perception of quality?’ and ‘What are the factors of purchase in a social enterprise?’. For that purpose, a qualitative study was conducted, using the case of Cozinha com Alma as a social enterprise. In the first place, the research has confirmed that to the majority of people the concept of hybridity is not directly associated with the quality of the products or services offered by the social enterprise. Therefore, it is safe to say, based on the qualitative research of this study that, consumers do not perceive hybridity as a deterrent for quality. Instead, most of the time they do not even relate the two concepts, stating that they regard the products of a social enterprise as ones from a traditional commercial setting.

The results of the research also demonstrated that, although many consumers place a high value on the social and helping dimension of CcA, few are able to see their purchase as purely due to social and solidarity reasons for the families in need. The price-quality ratio of the purchase is an important feature of the exchange and there are particular features of consumers’ helping behaviour in this context. Importantly, consumers were motivated by the fact that the CcA seeks to help families in need while delivering good food at competitive prices. Therefore, this study concluded that in this case of a social food takeaway, customers value the social component if simultaneously paired with an adequate price-quality ratio. Reference to the emotions that motivate giving, particularly helping or the lack of feelings, implied that there was an altruistic reason for buying but also emphasized the fact that some consumers really do not esteem the social element of the purchase.

This study also added some extra findings in addition to the ones directly related to the proposed research questions. For instance and as partially mentioned before, consumers value the social component only to some extent. When put in a situation where they had to choose between two takeaways and one practised a higher price due to being associated with a social cause,

consumers highlighted that they would choose the social one if the price change was not significant.

As a final remark, this research provides interesting and valuable implications for hybrid organizations and especially social enterprises. The two main conclusions drawn from this study are that consumers do not perceive quality differently regarding the social enterprise's products and services and, the social element is only a factor of purchase when the price-quality ratio is also suitable. Taking this into consideration, marketers and managers of these organizations need to be aware that the social component cannot be regarded as the main selling motive. Instead, concerns about quality and price should be maintained. Therefore, findings of this dissertation are believed to represent an attempt to answer the simple question 'Why do consumers buy at social enterprises?' which can be a possible source to generate new academic and practical knowledge in the area of marketing, entrepreneurship and hybrid organizations.

## **6.2 Managerial implications**

There are managerial implications of both consumer perception of quality and consumer buying motives. We can conclude that CcA is seen as a social enterprise that consumers see as offering quality goods worth paying for. Nevertheless, consumers cannot be expected to ignore the helping dimension of the exchange, and this is something that CcA needs to take into consideration. Therefore, this suggests several options: first, there are opportunities to make the impact that a purchase has on the lives of the beneficiary families more noticeable. For instance, as previously mentioned, CcA offers a card in order to protect the anonymity of the beneficiaries. In order to make the impact more visible for the general public, for each charge customers could see how many meals were given based on the amount they spent so far. The second option is to try and create more brand awareness regarding the social element of the organization and make the customers see that their purchase is helpful towards others.

Based on the finding that the social element is not the main purchasing factor, CcA needs to be aware that although it is a social entrepreneurship initiative, it needs to maintain its quality, affordable prices and good service in order to be sustainable in the future.

### 6.3 Limitations

This dissertation presents some limitations in its approach. The use of thematic analysis is useful to summarise large amounts of data and to gain a perspective into a specific problem at the same time of allowing the researcher to have some discretion in the analysis of the results. Additionally, this dissertation used a convenience sampling in the interview process, therefore it can show potential bias in the choice of the interviewees which can affect the reliability of the results. Also, the fact that the interviewees were made anonym in the thematic analysis implied that most of the times opinions were viewed in a wider and more impersonal context.

In the case of our specific study, and given that we are evaluating consumer behavioural intentions that concern ethical considerations, it can be susceptible to the social desirability bias (Antonetti & Maklan, 2014; Carrington et al., 2010; Martinho, Pires, Portela, & Fonseca, 2015). The bias prevails when “people feel social pressure to respond with answers in research that they believe to be socially acceptable” (Carrington et al., 2010, p. 143). During the design of the interview protocol, we tried to reduce this bias); however, it stills need to be regarded both as a limitation and as a possible explanation for some of the findings.

In addition, the conceptual framework for this study was limited to consumer motives for buying at CcA and the perception of quality of a social enterprise. However, there is a wide range of social and psychological factors that also influence consumer buying and helping behaviour. Further research that explores this range of factors is required in order to gain a good understanding of how to maximise the success of social entrepreneurship initiatives.

Another limitation can be related to the choice of hybrid organization to conduct the study. As previously mentioned, Cozinha com Alma is a social takeaway; however, the findings may not be translated into the many other forms of social enterprises. Therefore, the findings of this research are not widely generalisable.

Lastly, the lack of literature on the topic can also be another limitation. Although there is some research on this subject most fail to explain both the concepts of perception of quality and consumer purchasing motives. Moreover, that is one of the reasons why this study is an exploratory one and will add further knowledge to the existing literature.

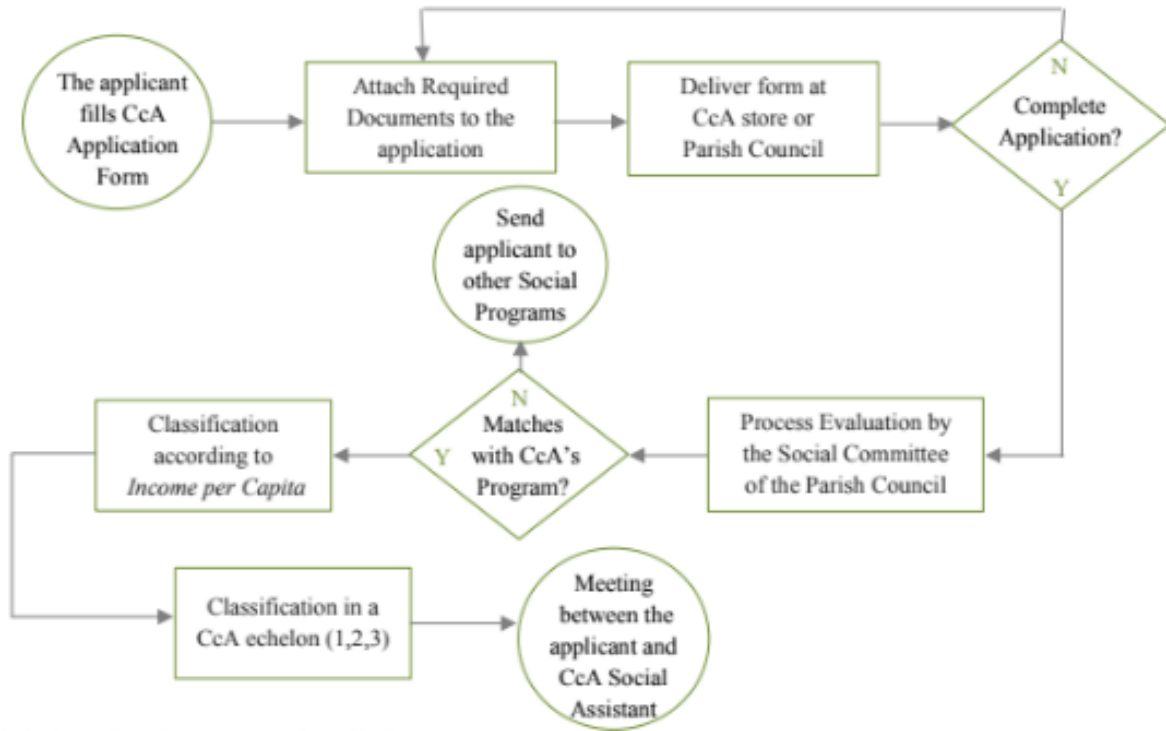
#### **6.4 Recommendations for further research**

In order to have more conclusive research in this area, subsequent studies should focus on exploring the same or similar research questions in different forms of hybrid organizations. This would allow for more truthful and clear conclusions. In addition to this, it would also be beneficial to interview a wider range of consumers in terms of age, gender and education in order to reduce biased responses. Taking this into account, there are clear opportunities for further research to explore consumer responses to other social entrepreneurship projects.

## 7. Appendices

### 7.1 Appendix A- Beneficiaries selection process

Source: Cozinha com Alma



### 7.2 Appendix B- Classification of categories according to income per capita

Source: Cozinha com Alma

Echelon	Income per Capita
1	From 50€ to 110€
2	From 111€ to 210€
3	From 211€ to 420€

## 7.3 Appendix C- Example of a weekly menu

Source: Cozinha com Alma (2017)

**MENU SEMANAL** *cozinha com alma*  **18 a 23 de Dezembro**

	P.V.P.	Escalão 1	Escalão 2	Escalão 3		P.V.P.	Escalão 1	Escalão 2	Escalão 3
<b>SEGUNDA-FEIRA</b>					<b>QUINTA-FEIRA</b>				
Sopa de nabijas	1,00€	0,10€	0,20€	0,30€	Sopa de tomate e manjeriço	1,00€	0,10€	0,20€	0,30€
Empadão de carne com arroz	3,00€	0,30€	0,60€	0,90€	Lasanha de carne	3,00€	0,30€	0,60€	0,90€
Rissóis de camarão com arroz de tomate	4,50€	0,45€	0,90€	1,35€	Bacalhau à Gomes de Sá	5,00€	0,50€	1,00€	1,50€
Rissóis de camarão fritos (4 unidades)	5,00€	0,50€	1,00€	1,50€	Stroganoff de frango	4,00€	0,40€	0,80€	1,20€
Lombo de porco assado com castanhas	4,50€	0,45€	0,90€	1,35€	Crepes de camarão com alho francês	5,00€	0,50€	1,00€	1,50€
Soufflé de espinafres e mozzarella	3,00€	0,30€	0,60€	0,90€	Couscous com frutos secos e rúcula	3,00€	0,30€	0,60€	0,90€
Penne com pesto e tomate cherry	5,00€	0,50€	1,00€	1,50€	Arroz branco	0,70€	0,07€	0,14€	0,21€
Arroz branco	0,70€	0,07€	0,14€	0,21€	Panna cotta com frutos silvestres	2,50€	0,25€	0,50€	0,75€
Brócolos salteados	1,20€	0,12€	0,24€	0,36€	Bolo de chocolate	1,80€	0,18€	0,36€	0,54€
Mousse de bolacha maria	2,00€	0,20€	0,40€	0,60€					
<b>TERÇA-FEIRA</b>					<b>SEXTA-FEIRA</b>				
Creme de cenoura	1,00€	0,10€	0,20€	0,30€	Sopa de feijão encarnado	1,00€	0,10€	0,20€	0,30€
Tomates recheados com carne picada	3,00€	0,30€	0,60€	0,90€	Penne com ricotta e molho de tomate	3,00€	0,30€	0,60€	0,90€
Lombinhos de pescada com camarão	6,50€	0,65€	1,30€	1,95€	Bacalhau com natas	5,50€	0,55€	1,10€	1,65€
Frango com molho de mostarda	4,50€	0,45€	0,90€	1,35€	Bacalhau com coentros	5,50€	0,55€	1,10€	1,65€
Farfalle Primavera	3,50€	0,35€	0,70€	1,05€	Esparregado	1,50€	0,15€	0,30€	0,45€
Batatas à padeiro	1,00€	0,10€	0,20€	0,30€	Mousse de chocolate com after eight	2,50€	0,25€	0,50€	0,75€
Ratatouille	1,50€	0,15€	0,30€	0,45€					
Barriga de freira	2,50€	0,25€	0,50€	0,75€					
<b>QUARTA-FEIRA</b>					<b>SEXTA-FEIRA ENCERRAMOS ÀS 17H00</b>				
Sopa de grão com espinafres	1,00€	0,10€	0,20€	0,30€	<b>SÁBADO</b>				
Ervilhas com ovos escalfados	3,00€	0,30€	0,60€	0,90€	<b>* ENTREGA DE ENCOMENDAS DE NATAL, DAS 18H00 ÀS 21H30 *</b>				
Bacalhau espiritual	5,50€	0,55€	1,10€	1,65€	<b>PREÇO/DOSE PEQUENA (IVA incl.)</b>				
Rolo de carne com queijo e fiambre	4,50€	0,45€	0,90€	1,35€					
Hambúrgueres vegetarianos	3,50€	0,35€	0,70€	1,05€					
Salada grega	4,00€	0,40€	0,80€	1,20€					
Arroz com espinafres e coentros	0,90€	0,09€	0,18€	0,27€					
Creme de cogumelos com azeite de trufas	4,00€	0,40€	0,80€	1,20€					
Brownie	3,50€	0,35€	0,70€	1,05€					
<b>PREÇO/DOSE PEQUENA (IVA incl.)</b>									

Praceta Padre Marçal Silveira nº31, 2750-672 Cascais • 210938834 | 910900207 • 2ª a 5ª das 12h às 20h30, 6ª das 12h às 17h

## 7.4 Appendix D- CcA's Marketing Elements

Source: Cozinha com Alma (2017)

a) CcA store



b) Packaging and card



## 7.5 Appendix E- CcA's Cost and Revenues Structure

<b>Costs</b>	<b>2015</b>	<b>2016</b>	<b>%( increase/ decrease in percentage)</b>
<b>Raw Materials</b>	231.287	245.100	6%
<b>External Services and Supplies</b>	32.504	47.214	45%
<b>Personnel</b>	163.524	224.101	37%
<b>Other costs</b>	1.366	4.340	218%
<b>Amortization</b>	8.131	5.281	-35%
<b>Total</b>	<b>436.813</b>	<b>526.035</b>	<b>20%</b>

<b>Revenues</b>	<b>2015</b>	<b>2016</b>	<b>%( increase/ decrease in percentage)</b>
<b>Revenues</b>	476.146	523.514	10%
<b>Donations</b>	25.500	28.284	11%
<b>Other</b>	32.336	54.494	69%
<b>Total</b>	<b>533.982</b>	<b>606.292</b>	<b>14%</b>

## 7.6 Appendix F- Main protocol

### a) Main Protocol

The following protocol contains the main questions that were approached during the interviewing process.

1. Do you use takeaway restaurants? If so, how often?
2. What do you value the most in a takeaway service?
3. In which takeaways are you a client? What differentiates them?
4. Imagine a situation where you have to host a last minute dinner and you have no other choice than to go to a takeaway to buy the food. There are two takeaways that offer the product you are looking for, at the same quality and price. Which factors do you have in mind knowing that you can only choose one?
5. Imagine a situation where you have to host a last minute dinner and you have no other choice than to go to a takeaway to buy the food. There are two takeaways that offer the product you are looking for, at the same quality but, in this case one has a higher price for contributing to a social cause. Which factors do you have in mind knowing that you can only choose one?
6. Imagine a situation where you are going to a friend's house for dinner. Just before you start eating, they tell you that the food was provided by an organization that helps the homeless. What would be your perception of quality of the food that was being offered to you?
7. According to a study, 24% of consumers say that if they had to choose between two products, and one of them had a social component, they would still choose the one with the lowest price (McWilliams & Siegel, 2016). Please comment.

Given that you are a consumer of CcA, now I would like to ask you some questions about this organization.

8. How did you get to know CcA?
9. When did you start coming here?

10. How many times a week do you buy at CcA?
11. Imagine you had to describe CcA in three words, which words would you choose?
12. Why do you buy at CcA?
13. CcA was created in 2012, what more do you know about the origins of the project?
  - a) Do you know its mission?
  - b) CcA has a client card, do you know how it works? Do you have it?
  - c) In your point of view, what is the target audience of CcA?
14. Do you believe that because CcA is a social enterprise, consumers are less demanding regarding the quality of its products?
15. Imagine a situation where you buy a certain meal at CcA. When you arrive home, you notice there is a hair in your food. How would you react?
16. How do you feel when you buy at CcA?
17. Cozinha com Alma has been an example of innovation and social entrepreneurship, having won several awards such as Manuel António Mota award, AHRESP etc. In your opinion, which are the factors that most contributed to this success?
18. Do you have any suggestions and recommendations regarding:
  - a) Quality
  - b) Variety
  - c) Price
  - d) Service

b) Main Protocol in a table with the purpose of each question

<b>Summary of the main interview protocol</b>		
<b><u>Topic</u></b>	<b><u>Question</u></b>	<b><u>Purpose</u></b>
<b>General</b>	Do you use takeaway restaurants? If so, how often?	To get an insight in the consumption patterns of the interviewee
	What do you value the most in a takeaway service?	To highlight an attribute that will later serve as a comparison when related to social takeaways
	In which takeaways are you a client? What differentiates them?	To understand whether this person goes to any other takeaway with a social component
	Imagine a situation where you have to host a last minute dinner and you have no other choice than to go to a takeaway to buy the food. There are two takeaways that offer the product you are looking for, at the same quality and price. Which factors do you have in mind knowing that you can only choose one?	This question intends to examine if when in a situation like this, consumers mention the social factor in their choice

<b>Motivation</b>	Imagine a situation where you have to host a last minute dinner and you have no other choice than to go to a takeaway to buy the food. There are two takeaways that offer the product you are looking for, at the same quality but, in this case one has a higher price for contributing to a social cause . Which factors do you have in mind knowing that you can only choose one?	This question intends to examine when in a situation like this consumers would be willing to pay a higher price for the one contributing to a social cause.
	According to a study, 24% of consumers say that if they had to choose between two products, and one of them had a social component, they would still choose the one with the lowest price (McWilliams & Siegel, 2016). Please comment.	This citation examines all the other factors that a consumer may have in consideration when not choosing the product with the social component.
	Why do you buy at CcA?	Factors behind the consumer's choice to buy at CcA.
	Imagine you had to describe CcA in three words, which words would you choose?	This question helps to understand if consumers choose certain words related to its social cause to describe CcA or whether they mention other attributes that can be used to define any other enterprise (e.g.: Quality, Price).
<b>Perception</b>	Imagine a situation where you are going to a friend's house for dinner. Just before you start eating, they tell you that the food was provided by an organization that helps the	This question intends to identify whether the perception of quality of the interviewee changes when faced with a social enterprise' product.

	homeless. What would be your perception of quality of the food that was being offered to you?	
<b>Attitudes</b>	Imagine a situation where you buy a certain meal at CcA. When you arrive home, you notice there is a hair in your food. How would you react?	This question evaluates whether consumers are less strict and more sympathetic in the context of social enterprises.
<b>Feelings</b>	How do you feel when you buy at CcA?	This questions examines if the consumers have a feeling of satisfaction and that they made a good deed or not.
<b>Motivation, Perception, Beliefs and Attitudes</b>	Cozinha com Alma has been an example of innovation and social entrepreneurship, having won several awards such as Manuel António Mota award, AHRESP etc. In your opinion, which are the factors that most contributed to this success?	This question evaluates all the four topics present in the protocol. In this case, it seeks to explore if consumers mention aspects such as its social component, creativity of the project, quality, and location, amongst others. Here, it is also important to examine which is the most important factor of success for the interviewees.
<b>Questions about the organization</b>	How did you get to know CcA?	All of these questions have the objective to examine the knowledge extent of the consumers about this particular organization.
	When did you start coming here?	
	How many times a week do you buy at CcA?	
	CcA was created in 2012, what more do you know about the origins of the project? d) Do you know its mission?	

	<p>e) CcA has a client card, do you know how it works? Do you have it?</p> <p>f) In your point of view, what is the target audience of CcA?</p>	
	<p>Do you believe that because CcA is a social enterprise, consumers are less demanding regarding the quality of its products?</p>	
	<p>Do you have any suggestions and recommendations regarding:</p> <ul style="list-style-type: none"> <li>e) Quality</li> <li>f) Variety</li> <li>g) Price</li> <li>h) Service</li> </ul>	

## 7.7 Appendix G- Interviewee'profile

### a) General Public

<b>Name</b>	<b>Gender</b>	<b>Age</b>	<b>Place</b>	<b>Household Members</b>	<b>Instruction Level</b>	<b>Salary</b>
Mary	Female	63	Cascais	1	High School	1400€- 1499€
Kate	Female	51	Cascais	3	Bachelor	2500€- +
Simon	Male	47	Cascais	3	Bachelor	1500€- 1999€
Meghan	Female	55	Estoril	1	Post graduate	2500€- +
Philippa	Female	59	Cascais	2	Post graduate	2500€- +
Elizabeth	Female	74	Cascais	1	Bachelor	1500€- 1999€
William	Male	75	Cascais	1	Bachelor	1400€- 1499€
Sarah	Female	45	Cascais	2	Bachelor	1400€- 1499€
Caroline	Female	53	Cascais	3	Bachelor	2500€- +
Jamie	Male	21	Cascais	1	Bachelor	500€- 999€
Martha	Female	45	Lisbon	3	Master's	2000€- 2499€
Christine	Female	57	Estoril	3	PhD	2500€- +
Dakota	Female	73	Cascais	1	Bachelor	1500€- 1999€
Carly	Female	74	Cascais	2	Post Graduate	2500€- +
Charlotte	Female	40	Cascais	2	Bachelor	1000€- 1499€
Theresa	Female	56	Cascais	1	Bachelor	1000€- 1499€
Stella	Female	54	Cascais	3	Bachelor	2000€- 2499€

Fátima	Female	62	Cascais	1	Bachelor	1000€- 1499€
George	Male	45	Cascais	1	Bachelor	1000€- 1499€
Peter	Male	83	Lisboa	2	Bachelor	2500€- +
Madeleine	Female	44	Cascais	5	High School	2500€- +
Steve	Male	43	Cascais	2	Bachelor	1000€- 1499€
Stephanie	Female	58	Cascais	3	Post Graduate	2500€- +
Patricia	Female	41	Cascais	6	Bachelor	2500€- +
Paul	Male	53	Lisboa	1	High School	500€- 999€
Rita	Female	42	Cascais	1	Post Graduate	2000€- 2499€
Sandra	Female	35	Cascais	2	Bachelor	1000€- 1499€
Elli	Female	75	Cascais	1	High School	1000€- 1499€
Marianne	Female	55	Lisbon	2	PhD	2500€-+
Sebastian	Male	27	Cascais	1	Bachelor	1000€- 1499€

## B) Beneficiaries

<b>Name</b>	<b>Gender</b>	<b>Age</b>	<b>Place</b>	<b>Household Member</b>	<b>Instruction Level</b>	<b>Salary</b>
Lucy	Female	42	Cascais	3	Bachelor	500€- 999€
Ashley	Female	46	Cascais	4	Bachelor	500€- 999€

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