



SCHOOL OF
ECONOMICS AND
MANAGEMENT

Understanding Consumers' Response to Controversial Investments

The reactions and subsequent implications in the empirical case of
Oatly's consumers

by

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Abstract

Globalisation has expanded investors' financial reach and while most investments occur without much attention, some lead to disagreements and divergent responses from consumers. Therefore, this paper aims at providing a comprehensive picture of consumers' responses following investments that become a matter of controversy. This research problem was addressed through the case of Oatly's consumers' response to the company's decision of approaching the firm Blackstone for an investment.

The research problem has been discussed within the context of ethical consumerism, and the theories used are psychological contract theory and attribution theory. Through semi-structured interviews and secondary data in the form of social media comments, we have generated data that was analysed through thematic analysis.

Our findings suggest that the harsh reaction displayed by consumers could be understood as a psychological contract breach exacerbated by the weight put on the selfish motives perceived to be driving such decision. On the other hand, the more moderate reactions suggests that a psychological contract could have been fulfilled or that a breach was not perceived. At the same time, it is possible that a psychological contract was absent in the first place. Furthermore, the context in which the decision was taken was considered important. While harsh reactions tend to lead to detrimental implications, moderate reactions lead to beneficial ones.

Our findings have both theoretical and practical contributions. Regarding the former, we have applied the theories in a relatively new context in which they have been both useful and challenged to some extent. The practical implications involve an increase in understanding of the consequences following an investment that could be perceived as controversial. This could be worth considering for businesses when approaching such a decision.

Keywords: investment, controversy, psychological contract theory, attribution theory, ethical consumerism, consumer behaviour

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1 Introduction

This introduction initially provides some background information leading to the research problem we intend to investigate in this paper. Subsequently, the research aims and objectives, the purpose behind our paper, and potential delimitations are introduced. Finally, the outline of the thesis is presented.

1.1 Background and Problematisation

The importance of consumers as stakeholders is increasing. Misbehaviour or scarce consideration of, for instance, environmental and social issues may engender strong adverse reactions in consumers, thus threatening a company's well-being. In fact, consumers are developing different expectations from companies regarding their role in society, and it is questioned whether profit maximisation should be the principal focus of companies (Euromonitor, 2021). Additionally, consumers are showing relatively more power compared to the past. It is worth noticing how they can influence purchasing intentions to a much wider extent through social media, which are arguably increasing exponentially the consequences of the practice known as word-of-mouth (Deloitte, 2014). Therefore, more extensive awareness among consumers combined with their empowerment is a relevant bundle companies should bear in mind when operating.

Given the relevance of consumers' interests and their power to influence, the extant literature has been concerned with understanding consumers' reactions towards companies' behaviour, including perceived misconduct; however, as will soon be discussed, a consensus has not yet been reached. Boulstridge and Carrigan (2000) and Carrigan and Attalla (2001) studied through a focus group the reaction of consumers to companies' misbehaviours. The findings, resulting from few participants, suggested that consumers were not particularly prone to switch brands or pay a premium to punish misconduct. Moreover, the participants reflected the dissonance discussed by previous research between caring about an unethical act and actually changing one's behaviour as a consequence. This discrepancy is further reinforced in other studies, which

suggest that while ethicality and corporate social responsibility (CSR) seem increasingly important to consumers, they are still among the least prioritised factors considered when making a purchasing decision (Öberseder, Schlegelmilch, & Gruber, 2011). Conversely, Sweetin, Knowles, Summey, and McQueen (2013) have indicated that consumers showed a higher propensity to punish companies undertaking irresponsible acts than companies in other conditions. In the same vein, Creyer and Ross (1997) argue that consumers have expectations regarding the behaviour displayed by companies, and when said expectations are not satisfied, resentment grows.

At the same time, due to globalisation and the subsequent interrelation of markets, investors financial reach has expanded and allowed them global access to new business opportunities (Hall, 2018). The increased financial openness stemming from globalisation thus facilitates the transfer of funding across countries (Bank for International Settlement, 2017). There has been a notable increase in international investments in the last decades, making this phenomenon current (Bitzenis, 2012). We argue that part of companies' decisions also involves financing, thus attracting investors' funds. Hence, there is a higher opportunity to be financed by a larger pool of heterogeneous foreign investors, among whom some are directing their attention towards sustainable investments (Brown, 2020). The rationale behind the investments in sustainable initiatives by companies could be questioned, leading to scepticism from consumers (Brockhaus, Amos, Fawcett, Knemeyer & Fawcett, 2017). It is then reasonable to think that the company being financed exposes itself to a higher chance of taking part in controversial investments and consumers possibly not agreeing with the decision.

We argue that not all investments receive the same attention and cause the same disagreement from consumers. Moreover, large investors finance many companies, and most of the times, it does not lead to any reactions. Hence, the problem identified is the controversy following certain investment decisions. As more companies may be exposed to controversial investments, we argue it is relevant to understand consumers' reaction and what the implications may be for companies.

Before stating our research questions, we deem it necessary to specify what we intend with controversy. We deem an investment to be controversial when it attracts attention from the general public, "causing disagreement or discussion" (Cambridge Dictionary, n.d.). An example of a controversial investment for a company would be receiving money and hence associating itself with entities whose reputation may be debatable. Therefore, the empirical case

we are using to contribute to our understanding of the problem involves consumers' reaction to a controversial investment decision by Oatly to receive money from the investment firm Blackstone, which has caused much disagreement from Oatly's consumers.

After having presented the problem, the research questions we are interested in answering are:

1. *How can we understand consumers' reactions to companies' controversial investment decisions?*
2. *What are the implications for consumers' relationship with the companies?*

1.2 Research Aim and Objectives

Given the problem identified above, the research is aiming at understanding consumers' reaction to a companies' controversial investment decisions. Additionally, besides the reactions deriving from these decisions, the paper intends to understand what the implications are for said company in terms of its relationship with its consumers. It is crucial to clarify that we are going to focus on consumers' reactions directed towards the company being financed and not the one financing. In order to reach these aims, we are going to pursue different objectives.

Firstly, we intend to use the empirical case of Oatly's consumers and their response to the investment from Blackstone to explore our research questions. Following this event, consumers displayed mixed reactions concerning the investment decision, and we are therefore interested in expanding the research regarding how consumer react to this phenomenon. Furthermore, we are planning to combine two theories, namely psychological contract theory (PCT) and attribution theory (AT), to assist us and inform our research. These theories deal with the relationship between parties, and we believe they may provide us with insights that can increase our understanding of the problem studied.

Subsequently, we will gain an understanding of the problem through interviews with consumers, or former ones, at Oatly, who have interacted with the news of the investment. We believe it is crucial to understand the reactions and subsequent implications from their viewpoint, analysing how they make sense of what happened. Moreover, additional data in the form of social media interactions will be analysed.

Finally, we will answer the research questions by conducting a thematic analysis of the data generated. Specifically, we will look at the data and see whether there are themes that may be of help in understanding the problems. Moreover, the data will also be analysed in light of the theories in order to understand how helpful they are in contributing to our understanding of consumers' response.

1.3 Research Purpose

The purpose of this research is to contribute with a comprehensive picture of consumers' reactions and implications stemming from companies' decision to receive an investment that may be considered controversial. We would like to provide a holistic perspective of this problem that considers different aspects and the presence of factors alleviating or exacerbating the reactions analysed.

Our main drivers are the curiosity of understanding why consumers react as they do and how they decide to behave following such an event. Furthermore, we are curious in knowing why such an event caused certain reactions and behaviours from consumers. We believe it is relevant for business as a field of study, but also important for companies to know when dealing with the same problem.

1.4 Delimitations

There are several delimitations in our paper. Firstly, we limited our interviews to 8 participants; all of them interacted in social media since we wanted to interview consumers who developed an interest in the topic and already had the possibility to engage with it. We hoped that in this way, the data generated would be richer and provide us with more material to analyse. More participants could have been interviewed, such as participants that did not interact on social media. This could have allowed us to have a more comprehensive picture of the problem and notice whether there were differences among participants. Subsequently, not all countries in which Oatly was available were covered. As previously stated, a wider demographic range of participants could have provided us with a more comprehensive picture.

Finally, additional theories to the ones chosen could have informed our research. We did not rely completely on PCT and AT since we aimed to understand consumers' reactions and implications without being constrained by the theories. Nevertheless, they informed us through the analysis by developing some of the themes presented. Moreover, we made sense of some of the findings with the help of the theories. Other theories may have shifted our attention in other directions leading us to new angles from which the problem could have been understood.

1.5 Thesis Outline

After having introduced the paper and the research problem we want to investigate, we are going to present the outline of this paper. The next chapter will discuss literature relevant to the research problem, accompanied by relevant literature stemming from PCT and AT. This will give us an overview of what is the current knowledge regarding the topic studied and what we deem an interesting point of departure for its understanding. Subsequently, the chapter ends by focusing on the theoretical framework of reference. Here we will discuss why we think the theories are relevant and especially how their use together will be relevant for our paper. Later, the methodology chapter will be presented, discussing how we are going to address the research questions, what assumption underpin our paper, what data we are going to generate, and what method we have selected to generate such data. After that, we are going to analyse the data generated through thematic analysis and discuss the findings in light of the literature presented. Finally, we are going to conclude the paper by restating the findings and what implications they may have both in practice and for the theories used. Moreover, we will end by discussing how the aims and objectives have been covered and by presenting suggestions for future research.

2 Literature Review

In this section, we are going to present literature relevant to the research problem we are studying. We are going to start by reviewing the concept of ethical consumerism and the literature related to it. Later, we are going to discuss the literature surrounding the theories chosen, which we argue may contribute to understanding consumers' reaction and subsequent behaviour, thus helping to answer our research questions. Finally, we are going to present how the theories will be used for our paper in the theoretical framework of reference.

2.1 Ethical Consumerism

The roots of ethical consumerism lie centuries back when businesses were pressured to act responsibly concerning human rights violations. Since then, its scope has broadened significantly and expanded towards issues regarding consumer protection, animal rights, and environmentalism (Cowe & Williams, 2000). Until the mid-20th century, environmental issues were limitedly addressed but have in the last decades been increasingly important to consumers. However, ethical consumerism for environmental reasons has shifted in consumers' minds from being a responsibility put on the shoulders of the government to a responsibility borne by companies, according to Cowe and Williams (2000). Moreover, the authors argue that the prominent attitude towards environmental issues is on the individual level where each consumer acts as best it can itself to reduce environmental harm.

We share the definition of ethical consumers by Cowe and Williams (2000, p. 4) to be "people who are influenced by environmental and ethical considerations when choosing products and services ... to cover matters of conscience". This implies that ethical consumers make conscious purchasing decisions by following their principles, and judge companies based on those principles. Ethical consumerism has often been viewed as consumers voting with their money but knowing beforehand what events will cause more attention and distress among consumers depends heavily on increasingly complex factors (Shaw, Newholm, & Dickinson, 2006; Brunk, 2010).

Several studies have shown that ethical consumers are willing to pay a premium for brands they perceive to be ethical and environmentally sustainable (e.g., Kimeldorf, Meyer, Prasad, & Robinson, 2006; Mai, 2014). However, not all ethical consumers are homogenous, and people choose to consume ethically because of different reasons. Additionally, not all narratives within the ethical consumption realm are equally prioritised across consumers (Park, 2018). Studies have also found that certain values are more prevalent when purchasing ethically, specifically, values of the universal type concerning the protection of societal welfare and the environment (Shaw, Grehan, Shiu, Hassan, & Thomson, 2005).

When consumers perceive a company to have acted unethically, consumers can choose to boycott it. According to Creyer and Ross (1997), not only are consumers inclined to punish companies behaving unethically, but the failure in fulfilling an expectation contributes to triggering the reaction of consumers since the behaviour is detached from the point from which the company is assessed. Interestingly, the authors argued that ethical behaviour may be supported by consumers, but it would not increase the reputation of a company if it behaved in a way it was already expected to.

With increasing globalisation and a wider range and availability of alternatives to almost any product, consumers have gained relatively significant purchasing power and are able to put more pressure on companies which they perceive to behave unethically. Scholars suggest that even if consumers perceive the possibility of change following a boycott to be slim, consumers might still maintain the boycott because of their self-fulfilment, according to Shaw, Newholm, and Dickinson (2006). The authors assert that in recent decades, there has thus been an increasing trend of consumer empowerment. Society as a whole has then increased its expectations from companies suggesting that they should take on more responsibilities than just making a financial profit (Adams, 2002).

2.2 Psychological Contract Theory

The concept of psychological contract is not recent, but scholars agree that Argyris (1960) was amongst the first to conceptualise the term psychological contract. Even though he did not define a psychological contract as it is used today, he found what he called a “psychological work contract” (p. 96) when studying how employees interact with their supervisors. He suggested that when an employee becomes supervisor, he or she would inherently better

understand the informal work culture compared to the top executives. Therefore, the supervisor would be able to implement passive leadership to get the necessary work done, which the employees seemed to appreciate. Argyris (1960) thus argued that:

[s]ince the foremen [sic] realize the employees in this system will tend to produce optimally under passive leadership, and since the employees agree, a relationship may be hypothesized to evolve between the employees and the foremen [sic] which might be called “psychological work contract” (p. 96)

The modern conceptualisation, however, often referred to in the literature, was developed by Rousseau in her seminal work in 1989. The relationship was defined through promises and obligations between parties. Failure to comply with these obligations may jeopardise the life of the contract, and consequently of the relationship (Rousseau, 1989). Rousseau (1989) contributed to the theory by proposing that psychological contracts are perceived and interpreted by the individual party and might differ from the other party involved. Moreover, she focused more on promises, both explicit and implicit, rather than merely on expectations. Explicit promises entail “interpretations of verbal and written agreements”, while the latter reflects “consistent and repeated patterns of exchange with the employer” (Coyle-Shapiro, Pereira Costa, Doden, & Chang, 2019, p. 146). Hence, the research conducted by Rousseau has been pivotal in adapting the concept of psychological contracts to the dynamics of modern days.

At the base of psychological contracts lies the idea that both parties have obligations; if one party has satisfied his or her obligations, as perceived by himself or herself, some response from the other party is expected, in order for that party’s obligations to be fulfilled (Rousseau, 1989). This concept is arguably linked to the universal desire or expectation that individuals fulfil their obligations after having received something, thus reciprocating (Cialdini, 2007; Hannah, Treen, Pitt, & Berthon, 2016). Hence, when one party in a psychological contract performs its obligations, he or she expects that the other party will reciprocate. Furthermore, as mentioned before, one contribution by Rousseau (1989) was the understanding of the contract as inherently subjective. Therefore, given the interpretation of the contract, it is arguable that the reciprocation has to be deemed worthy by the individual (Coyle-Shapiro et al., 2019). The larger the deviation between the individual conceptualisations of the psychological contract, the harder it will be to sustain the relationship (Rousseau, 1989). A potential drawback is that

individuals are biased into thinking that the psychological contract is mutually agreed, despite it being a reflection of the individual's perception (Rousseau, 2001).

There have been attempts to dissect the psychological contract, its formation, and its essence; this has been done through the adoption of several concepts. It is argued that a psychological contract is understandable as a schema, i.e., "the cognitive organisation or mental model of conceptually related elements" (Rousseau, 2001, p. 513). In other words, it could be understood as the meaning individuals attach to events, which is constructed by previous experience, and informs how situations are interpreted in the future. The relationship between individuals, i.e., the psychological contract, could be understood as a schema. The aforementioned contract, in an employment relationship setting, could be shaped by different events such as previous schemas, i.e., previous interpretations of events given by previous experiences.

Another element at the foundation of the psychological contract is the concept of promises. As mentioned earlier, the contract involves mutual promises to be fulfilled. Promises can be expressed both through words and actions. In the former case, they can be explicitly stated, but could also be inferred from the act of communication and the situation where said act takes place. For instance, an individual could perceive that something has been promised to him or her without the explicit pronouncement of a promise. The perception of the promise could be understood through how the communication happens and whether the context suggests a promise is inferable. Furthermore, promises could be formulated through actions; this could involve the image the employer gives of itself (Rousseau, 2001). We think this is relevant for our paper since we are interested in understanding whether promises and the potential failure to meet them, may contribute to the reaction displayed by consumers. In fact, the historical behaviour of a company could, in the eyes of consumers, be converted into promises the organisation is responsible to fulfil.

Finally, the concept of mutualism is also discussed in PCT, and it focuses on the different interpretations of mutual obligations. In other words, one party may interpret its obligations differently than the party to whom these obligations are directed. This is summarised by Hannah et al. (2016) who claim that "[t]he firm should not only deliver what it promises, but also, more importantly, strive to deliver what the consumer thinks it promised" (Hannah et al., 2016, p. 6). Nevertheless, we are not going to apply mutuality: if we had, our empirical case should have entailed the company's view in order to analyse whether promises it think it has made

correspond to the ones consumers think it has made. Instead, our paper will focus solely on consumers and their perception.

2.2.1 Breach of Psychological Contract

Subjectivity and perceptuality can play a crucial role in the determination of psychological contracts (Rousseau, 1989). Hence, disputes on what is perceived to have been agreed upon are almost certain to occur. A breach of the psychological contract thus occurs when one of the parties perceive the other to not have fully committed and failed to satisfy the promised obligations (Robinson & Rousseau, 1994). However, there is an important distinction to be made between actually renegeing and breaching the contract and what is only a *perceived* breach of contract according to Morrison and Robinson (1997). The authors distinguish between two types of breaches to the psychological contract, those made from renegeing the contract and those made from the incongruence of the contracts. Renegeing a psychological contract implies that one of the parties were aware of a certain promise but still decided to abandon it, regardless of whether it was intentional or not, while incongruence of contracts implies the existence of a disparity between what the parties perceive the contract consists of (Morrison & Robinson, 1997). One party could therefore perceive the other to have breached the contract while the other party does not. We follow the same line of argument as Robinson and Rousseau (1994) though and shift our focus to the perceived breach of contract since the perception of a breach is seen as enough to change the behaviour of consumers. Thus, whether the company believes that it has breached the psychological contract becomes irrelevant, to some extent, for the consumers' reaction.

The breach of psychological contracts in the workplace between employers and employees have been widely documented and seem not to occur seldom (Robinson & Rousseau, 1994). However, due to the numerous variables which seem to affect the employee's behavioural consequences such as duration of employment, initial expectations, and trust, employee reaction stemming from the breach of contract is rather circumstantial. According to Robinson (1996), trust is a key determinant of whether the employee even perceives the breach of contract or not. She refers to psychological concepts such as confirmation bias and selective perception which make us more perceptive of information that confirms our already established views and less perceptive of or even ignore information if it opposes them. Therefore she argues that if an employee has high trust in his or her employer, he or she is more likely to neglect and overlook

a breach of contract since it does not align with one's views. Contrarily, in a situation of low trust the employee is likely to be more attentive to the employers' actions and can perceive a breach of contract with more ease, even if there was no actual breach.

Rousseau (1989) argues that distinctive characteristics of psychological contracts are relationships, trust, and a sense of mutual obligations behind them. For that matter, contracts are typically thought of as a product of good faith and sincere intentions (MacNeil, 1985). Therefore, when a psychological contract is breached, the subsequent distress is psychologically deeper and causes more intense and long-lasting feelings of betrayal and resentment relative to injustice and inequity (Conway, Guest, & Trenberth, 2011; Robinson & Rousseau, 1994; Rousseau, 1989). The authors argue that this is further attributable to our own perceptions of interpersonal respect, social relationships, and codes of conduct. For employees, a contract breach brings with it distrust, lower performance and job satisfaction, a stronger turnover intention, and potential dissolution of the contractual relationship (Morrison & Robinson, 1997; Robinson, 1996; Robinson & Rousseau, 1994; Sturges, Conway, Guest, & Liefoghe, 2005). Some studies have shown that these effects can be alleviated by keeping employees well informed prior to the event and communicating with them afterwards (Bankins, 2012; Chaudhry, Wayne, & Schalk, 2009).

However, the application of psychological contracts could be expanded and generalisable to relationships other than that between an employee and the employer (Pavlou & Gefen, 2005; Roehling, 1997). In the context of consumers instead, psychological contracts share some relative similarities and differences. The consumer, just as the employee, has the opportunity to interact with several contract makers, not only through the abstract concept of a relationship with a company but with actual people such as customer service representatives, salespeople, and maybe even delivery staff (Hannah et al., 2016). Additionally, the authors argue that psychological contract characteristics such as incompleteness and mutuality can be rather applicable to the consumer relationship too. The dynamics between a consumer and the company are bound to be complex with fragmented details of the specifications of the contract and neither party can therefore obtain a complete view of the circumstances and implications of their relation (Hannah et al., 2016).

The implications of a breach of the psychological contract between a consumer and a company are inherently different relative to the employee-employer context. Again, there are both similarities and differences between the implications. In both relationships, there seems to be a

significant detriment to the trust in the other party, but this can also be circumstantial and depend on factors such as brand commitment (Montgomery, Raju, Desai, & Unnava, 2018). Montgomery et al. (2018) contend that the psychological contract directs the relationship between a consumer and a brand. The authors suggest that in the literature regarding company transgression and consumer reaction, there have been diverging results depending on the consumers' prior brand commitment. They argue that in some cases, highly committed consumers are able to ignore the brand's transgression and are more likely to remain loyal to it, thus minimising the negative reaction. In other cases, instead, they contend that highly committed consumers react far more negatively to brand transgressions compared to less committed consumers which may remain indifferent to the issue. The reason for the varying consumer reaction could therefore be attributed to the subjectivity of the psychological contract and naturally on whether the transgression is perceived to be part of the psychological contract or not (Montgomery et al., 2018).

Further implications from consumers following a breach of the psychological contract might involve boycotting a company's CSR activities, according to Deng and Long (2019). They argue that if a company is perceived to be socially responsible, consumers are less likely to boycott the company unless it has breached consumers' psychological contract. Additionally, the perceived feelings of betrayal following a breach of the contract are a key determinant of whether the consumer takes part in detrimental word-of-mouth (Grégoire & Fisher, 2008; Mehmood, Rashid, & Zaheer, 2018). Additionally, scholars suggest the prevalence of more implicit reactions as well. Some maintain that if the breach of the psychological contract is fuelled by consumers' sense of hypocrisy, consumers which had previously trusted the brand develop feelings of betrayal and are more likely to retaliate against the brand (Hai-Ming, Li-Chi, Tao-Sheng, & Chen-Ling, 2020). The breach of psychological contracts seems to have detrimental effects on consumers' trust and loyalty (Choi & La, 2013) and could thus increase the chance of switching to alternative brands. Furthermore, some scholars argue that when a psychological contract is breached in the company-consumer relationship, the subsequent communication from the company can significantly alleviate the negative reaction from consumers (Lin, Liye, & Weixi, 2016).

2.2.2 Fulfilment of Psychological Contract

Rousseau (1989) did not consider contract fulfilment to the same degree as breach in her seminal work. In the subsequent years, neither has it been an equivalent priority on the research agenda among psychological contract theorists compared to breaches and less so in the context of psychological contracts between consumers and companies. Nevertheless, we intend to adapt it to the best of our capabilities to assess how it could fit the context we are researching. In the employer-employee context, increased perception of psychological contract fulfilment can lead to increased organisational commitment (Coyle-Shapiro & Kessler, 2000; Robinson & Rousseau, 1994), increased sense of being valued by the organisation (Coyle-Shapiro & Kessler, 2000), increased citizenship behaviour towards the organisation (Robinson & Morrison 1995) and increased trust (Lambert, Edwards, & Cable, 2003).

One could think that psychological contract breach and fulfilment work as opposing forces in determining the outcome and reaction of an individual. In other words, that a breach could be proportionally counteracted by a fulfilment. However, scholars suggest that breach and fulfilment affect reactions in significantly different ways. According to Conway, Guest, and Trenberth (2011), psychological contract breach has more detrimental effects on the following reactions relative to the beneficial effects a contract fulfilment has. They argue that because of the irreversibility and irreparability that has been attributed to a breach of a psychological contract, a subsequent fulfilment of a contract is unlikely to nullify the consequences of a breach.

The authors state several potential reasons for why breach has such negative outcomes compared to the positive outcomes of fulfilment. It could be attributed to how people's behavioural responses to events tend to be more significant following a negative event relative to a positive event, as suggested by Taylor (1991). Conway, Guest, and Trenberth (2011) further contend that the feelings of injustice that might occur can lead to more intense feelings following negative events. Relatedly, they make additional references to prospect theory stating that stronger reactions are caused by the negative events because the joy from a benefit is less compared to the distress caused by a loss, leading individuals to be more loss averse. For these reasons, the authors suggest that when a psychological contract is fulfilled, the relationship between the employer and the employee is preserved and maintained rather than strengthened.

2.3 Attribution Theory

Attribution theory shows people's propensity to explain the reasons behind a certain event by finding its causes. Depending on the cause identified by the individual, his or her attitude towards the specific event will vary. In other words, the individual will act in accordance with the motives he or she believes reside behind an event (Kelley & Michela, 1980), which in this paper is an investment decision.

One major component of AT is whether the causes are perceived to be internal or external to the subject that is being judged. In the former case, the outcome is explained by factors that are within the individual or entity under judgment, while in the latter case, the opposite is true (Kelley & Michela, 1980). This distinction could also be seen in terms of dispositional and situational attributions. The former involves elements that are inherent in the individual, while the latter acknowledges the influence of the context. Depending on the causes as identified by individuals, i.e., whether they are internal or external, different reactions and behaviour will follow as a consequence (Aronson & Aronson, 2018). It is suggested that the most credible explanation will be espoused by the individual in the position to judge. This is in line with the discounting principle, which indicates that internal attributions may be disregarded or reduced when the individuals in the position of judging perceive the context to be of prominent importance (Kelley and Michela, 1980).

Attribution theory has been applied within many different settings, including the relationship between consumers and companies (Nyilasy, Gangadharbatla & Paladino, 2014). We deem this use to be of relevance for our paper, given that we are interested in the attributions consumers make following controversial investments. Several scholars have investigated how the outcome of companies' activities are influenced by the reasons consumers perceive to be behind these activities (Dean, 2003; Rifon, Choi, Trimble & Li, 2004; Webb & Mohr, 1998). For instance, Walker, Heere, Parent and Dran (2010) found that if a CSR activity was perceived to be driven primarily by strategic motives aimed at benefitting mainly the company, consumers were more sceptical, and the company suffered more severe consequences. On the other hand, if such activity was perceived to be motivated by reasons other than the ones serving the interest of the company, consumers' perception was different. The applicability of AT extends beyond CSR activities to ordinary business activities. Nijssen, Schepers, and Belanche (2016) investigated consumers' reactions to the introduction of self-service technology, which led to ambiguous

responses. The authors focused on dispositional attributions, thus looking at the reasons, as perceived by consumers, in something inherent to the company. The decision to look at the dispositional attributions is interesting in understanding the internal motives consumers perceive companies to have.

The difference in attributions presented in some of the papers mentioned previously reflected whether the decision was taken for its own sake, or whether it was driven by other interests. Moreover, the internal motives perceived by consumers and the consequent response were also considered by some papers. We believe it is important to clarify how we intend to use attribution theory in our paper. We adopt the difference between internal and external attributions mentioned previously. We argue that accepting investments that could be deemed controversial, could be perceived to be driven by motives that are internal or external. The former would apply if the decision had been sparked by characteristics internal to the company; and the latter only if the decision was seen to have been caused by factors external to it, thus being driven prominently by the context.

Subsequently, the company's reputation also plays a relevant role in the attribution made by consumers and the consequent implications. Dean (2003), when studying the outcomes of charitable activities, found that consequences could depend on the reputation the company had at the beginning. As a matter of fact, he found out that a company with a respectable reputation suffered a more severe backlash compared to other companies when undertaking activities for dubious reasons; at the same time, the favourability towards the company did not increase when the motives were felt as authentic. On the other hand, Helm (2013) found the opposite when studying the implications of price increases. In fact, if a company had a high reputation, consumers were more reluctant to explain the event as deriving from negative characteristics held by the company, compared to the situation in which the company's reputation was lower. Therefore, the reputation of the company is of importance for our paper since we perceive companies to have distinct reputations, especially with regards to its activities and purposes. Hence, we believe reputation to be a crucial element to entail in our analysis in order to contribute to our understanding of the reactions displayed by consumers and the consequent implications.

Finally, the implications for companies are different depending on the attributions consumers make. In this paper, we are interested in understanding the implications investment decisions have for companies. It is however important to remember that the literature presented

previously did not specifically discuss the event we are investigating in this paper. Nonetheless, we will discuss whether consequences similar to those proposed by the literature are visible.

2.4 Theoretical Framework of Reference

Given the previous discussion, we believe that PCT and AT may be helpful in our research within the context of ethical consumerism. It is noteworthy that the first-mentioned theories have already been applied to the relationship between consumers and companies. In this section, we are going to present how each individual theory will be used in our paper. In the end, we will discuss how these theories interact to provide a comprehensive picture of the scientific problem under investigation.

Given the above-mentioned globalisation, consumer consciousness, and consumer empowerment, we argue it has become increasingly common for companies presenting themselves as sustainable to attract a significant portion of ethical consumers. This might help us understand the context of consumers and their perspective. Therefore, the analysis of our case will be within the realm of ethical consumerism which is likely to influence not only consumers initial perception of the company but also play a crucial role in the process of determining the subsequent reaction and implication following the investment. This intrinsic concept throughout the paper thus becomes increasingly important and we will use it as an underlying assumption when interpreting participants' perspective.

Regarding PCT, the breach or fulfilment of said contract usually implies reactions, whose nature may be similar to the one experienced by consumers. Therefore, it may help us understand potential reasons behind consumers' reactions. The core elements we are sourcing from PCT are promises and trust, which if broken, lead to reactions discussed before in the literature. This is in line with our central focus, which is understanding the reaction of consumers. The theory has been criticised because of its tendency to focus on the individual's perception of the contract and its potential breach, thus neglecting the perspective of the counterpart (Cullinane & Dundon, 2006). We are going to analyse only one party: consumers. It follows that only the psychological contract from their perspective will be considered. We are aware that the agreement might not exist objectively given the analysis of only one party; nevertheless, it is arguable that promises may exist if nothing else in the subjective perspective

of consumers. Hence, we argue it is irrelevant if the perceptions of the consumers are in line with the perceptions of the company.

Therefore, we are not going to directly test the presence of a psychological contract, nor to understand how this contract was formulated. Rather, we are inspired by the literature regarding breach and fulfilment to see if similarities are present in the specific case we analyse. This is also in line with our research approach which only intends to use the theories as a lens, thus allowing us to explore the reactions informed by the theories but without being restricted by them. Nevertheless, the analysis of the reactions may suggest to us the extent to which a psychological contract may be present, and if investments are part of it.

With regards to AT instead, we think it is relevant in understanding not only the reactions but also the implications stemming from what consumers think motivate companies' decision. We are going to focus on whether the motives are perceived to be internal or external. With these two terms, we intend to understand whether the event was attributed by participants mainly to the company receiving the investment, i.e., internal, or to the context, thus being external. Moreover, if being internal, there may be different motives as to why a company decided to undertake a specific activity. In the eventuality that participants attributed the event to have originated internally to the company rather than the context, we are going to discuss the internal motives associated with companies. Certain internal motives may be more tolerated by consumers compared to others; consequently, we argue that reactions and other implications could be understood depending on the internal motives consumers assume companies to have when accepting the investment. The implications mentioned earlier are several, and we are going to discuss whether they manifest in the analysis of the data.

Therefore, our theoretical framework of reference will entail both theories. Despite PCT being the prominent one, the theories will interact providing us with a comprehensive picture of the response to investment decisions. On the one hand, PCT allows us to understand the reactions given the extent to which the potential contract exists and seems to have been breached. On the other hand, AT contributes to understanding the reactions and subsequent implications by looking at the reasons consumers attached to the event and hence to the potential breach or fulfilment of the contract. We argue that depending on the attributions given by consumers the reactions may differ and as such the intensity associated with a potential breach of the contract. Therefore, in line with Chang and Zhang (2019), we entail AT in order to see whether it could

contribute to understanding the reactions displayed by consumers and whether different attributions may alleviate or reinforce said reactions.

3 Methodology

In this chapter, we are going to present the procedure we have followed in order to address the research questions. We will start by presenting the empirical case of Oatly's consumers and their response to Oatly's decision to receive an investment from Blackstone. Subsequently, we will discuss the role the theories play in this paper, followed by what strategy we have adopted throughout the paper. After that, we are going to discuss the reasons behind the research design selected, which is the case study. Finally, we are going to present how we have generated the data and how we have analysed it. Considerations regarding research quality and ethics will end the chapter.

3.1 The Oatly-Blackstone Deal

Oatly is a plant-based company with roots stemming from Lund University. After years of research in the 1980s, Rickard Öste patented a discovery of enzyme technology liquefying oats into nutritional food (Oatly, n.d. a). In 1994, Rickard Öste and his brother Björn Öste founded Ceba Foods with oat milk as its main product (Frick, 2016). In 2001, Ceba Foods developed the brand Oatly which was launched in Sweden following a 40 million SEK investment from venture capitalist Carnegie (Cision, n.d.). The investment allowed it to develop a broader range of oat-based products. After a steady expansion into Finland and England throughout the first years of the 2000s, the business received a further injection of capital from Östersjöfonden and Industrifonden asserting them as major shareholders in 2006 (Industrifonden, 2016). Ceba Foods changed its name to Oatly and the new investment allowed it to build a new production facility in Landskrona which granted the company the opportunity to ramp up its production from 10 million litres yearly to 30 million litres (Cision, 2006). In the following years, Oatly received a hefty investment from a Chinese state-owned firm called China Resources through a joint venture with Verinvest (Frick, 2016). Oatly was now committed to providing oat-based products globally and tried to spread the nutritive and environmental benefits of its products. However, it had a relatively small following compared to other dairy giants in Sweden (Cision, n.d.).

The story of Oatly as we know it today does not begin until 2012 with the involvement of Oatly's current CEO Toni Petersson. A new initiative was launched towards a brand-building campaign with punchy marketing and a clear sustainable objective (Challenger Project, 2016). As can be seen from the pictures in Appendix A1 and A2, Oatly's marketing could be considered relatively unconventional. Furthermore, Oatly previously included statements on its packaging and other marketing strategies arguably seen as denigrating the milk industry. Positioning itself as a sustainable company trying to change the world allowed its following to quickly grow in a world where sustainability has been amongst the most discussed topics across industries (Glavič & Lukman, 2007). This disruptive force in the dairy industry was not received with open arms, and Oatly lost lawsuits in its home country for its marketing behaviour (Kvist, 2015). Even after losing the lawsuit, Oatly ran a full-page advertisement in the newspaper with the text "Don't think this ends here. The growing demand for plant-based products cannot be stopped with the help of lawyers. And we will never stop fighting for what we believe in" (Oatly, 2015, p. 24 own translation). The lawsuit against Oatly did not taint its reputation but instead attracted significant attention and marked a distinct moment that led to increased recognition of the company.

Oatly's entrance into the US led to exponential growth and large supply shortages (Deitz, 2019). It gained vast popularity, not only amongst the vegan community, but it started to become more appealing to the general public. Oatly's strategy was to connect its brand with a certain type of lifestyle, an environmentally friendly and healthy one (Nylund, 2014). Oatly quickly rose to be perceived amongst the top 10 sustainable businesses in the Swedish food and beverage industry (Sustainable Brand Index, 2019). Oatly commits on its website to always produce its products while keeping the environmental impact to a minimum, to produce the "most sustainable, responsible products on the market", and it "promise[s] to be a good company" prioritising people and the planet before profits (Oatly, n.d. b).

In the summer of 2020, Oatly raised another 400 million USD of which approximately 200 million USD came from one of the largest investment firms in the world, Blackstone. This investment corresponded to an approximate 10% stake in Oatly. Blackstone has been associated with several unsustainable businesses and particularly owns a stake in other companies alleged to harvest the rainforest in the Amazon. After some weeks, a lot of attention was directed towards the issue on social media. Many devote consumers of Oatly shared a sense of disappointment and betrayal. Angry consumers expressed their feelings and publicly stated

their choice of not wanting to consume Oatly again and switching to other oat milk alternatives. Others made known their continued support for the company's decision. Oatly responded to this by claiming that to change the world, investment firms need to be collaborated with to show them that it can be profitable to invest in green companies (Oatly, n.d. c). Another argument from Oatly was that if Blackstone had not invested money in the company, it might as well have invested it in other unsustainable businesses. Thus, Oatly was in essence converting "brown money" into "green money". Oatly contends in a press release to its customers that it is still the same company with the same values, but that it understands that some people might not agree with it on how to reach its end goal of saving the planet.

These events surface the problem companies might face when receiving controversial investments. With the rise of globalisation, ethical consumerism, and consumer power, we argue that an increasing number of companies may face similar issues and therefore, consumers' reaction and the subsequent implication for companies is a relevant case to study.

3.2 Research Approach

After having presented the empirical case, we are going to discuss the role theories played in our understanding of the case with regards to consumers' response to controversial investments. The role of a theory in scientific research could vary. If the theory is merely tested through the means of hypotheses, then the approach of the paper would be deductive. The hypotheses are then either rejected or not rejected, thus assessing the suitability of the theory (Bell, Bryman & Harley, 2019). On the other side of the spectrum, there is the inductive approach, which has as aim the construction of a theory. That is, the research does not start with a theory; the latter is formulated through the analysis of the data collected (Bell, Bryman & Harley, 2019). The relationship between deductive and inductive approach should not be seen as dichotomous, but rather as a spectrum, where the two could be combined to some extent (Bell, Bryman & Harley, 2019). Another alternative would be an abductive approach which functions as a middle way between the two approaches mentioned before. This approach would be inspired by a theory yet recognising its limitations in accounting for the specific phenomenon under investigation (Bell, Bryman & Harley, 2019). This approach will be further discussed below since was our choice for this paper.

We have chosen to approach our research with an abductive approach: we use theories, but they will not be tested as in a deductive study. The theories discussed in this paper have already been presented extensively in the literature review and are psychological contract theory and attribution theory. Our choice of abductive approach derived from our intention to challenge the theories in a different context. For instance, in the case of PCT, we did not test previously known reactions to breach of a psychological contract in a new setting; we explored the new setting in order to understand consumers' response to the controversial investment with the theories as lenses. The same line of reasoning applied to AT.

In fact, it is argued that “[a]bduction starts with a puzzle or a surprise” which “may arise when researchers encounter empirical phenomena which existing theory cannot account for” (Bell, Bryman & Harley, 2019, p. 24). We would argue that consumers' response following a controversial investment represents a puzzle for two reasons. Firstly, intense and different reactions may develop among consumers of the same company but also across companies. In other words, as previously mentioned, not all consumers at Oatly reacted in the same way and not all investments receive the same attention. The second reason is that the potential breach of psychological contracts has often been investigated through perceived promises in relation to products or services. In this paper, we instead focused on an investment decision. Therefore, we deemed the abductive approach to suit our research. The PCT and AT accompanied us through this journey functioning as lenses. Despite this, they did not restrict our exploration of consumers' reaction.

3.3 Research Strategy

A research paper could either follow a quantitative or a qualitative methodology. These two could also be mixed. The methodology chosen depends on what the researcher is trying to study and how he or she is planning to study it. Moreover, it also depends on the philosophical assumptions underpinning the research (Bell, Bryman & Harley, 2019). Broadly speaking, the main difference is that while the quantitative methodology focuses on measuring reality, the qualitative one aims at understanding reality through the interpretations of the participants (Bell, Bryman & Harley, 2019). Despite this, as argued previously for the relationship between deductive and inductive approach, elements of quantitative and qualitative research should not be seen as mutually exclusive (Bell, Bryman & Harley, 2019).

In this paper, we used a qualitative methodology since we argue it suited best in understanding consumers' responses. As previously stated, we were interested in analysing the influence controversial investments have on consumers. Specifically, we were interested in understanding consumers' perception regarding this event and the consequent response deriving from it. Therefore, in order to answer the research questions and gain knowledge about this, we needed to look at this event through the eyes of the participants, understanding the interpretations they made of it. Moreover, this enabled us to access more comprehensive information regarding participants' perspectives, which we argue would go beyond the understanding obtainable by conducting this study quantitatively. We could have tried to operationalise the reaction displayed by consumers through variables such as purchasing intentions, as many papers discussed in the literature review have done, but this would have precluded us from obtaining richer descriptions of how consumers think and feel about this event. For instance, we could have formulated variables measuring the predicted feelings stemming from a psychological contract breach as theorised in PCT, but once again, this would have prevented us from grasping perceptions that go beyond the ones predicted. We argue this to be the case for our paper since the relationship analysed is inherently different: consumers are not employees and organisations do not interact with consumers in the same way as it does with employees.

Furthermore, as previously stated, the choice of the methodology is often linked to philosophical assumptions underpinning the paper. These assumptions comprise ontological and epistemological positions that justify how research is conducted (Bell, Bryman & Harley, 2019). Ontology refers to "the nature of reality" (Bell, Bryman & Harley, 2019, p. 26). In other words, reality could be assumed to exist independent of the individual, as in objectivism, or, alternatively, dependent on the construction made by the individual, as in constructionism (Bell, Bryman & Harley, 2019). Consequently, the position taken influences the epistemological stand of the paper. Epistemology deals with "how we can gain knowledge of ... reality" (Bell, Bryman & Harley, 2019, p. 29). If one agrees with the objectivist position, reality can be known without going through individuals' understanding of said reality, in line with the positivist tradition. On the other hand, if reality is constructed by the individuals, it is possible to understand it through the constructors of said reality, which are individuals themselves. This position is called interpretivism. Therefore, depending on the philosophical assumptions sustained, different strategies to gain knowledge will be warranted (Bell, Bryman & Harley, 2019).

Therefore, having chosen to utilise a qualitative methodology, it is arguable that reality regarding the specific event is constructed by the individuals themselves through their interpretations of the event, and consequently, it is knowable through individuals. Therefore, the philosophical assumptions applied to this paper regarding ontology and epistemology were constructionism and interpretivism, respectively.

3.4 Research Design

We decided to use a case study since this design “looks in depth at one, or a small number of, organisations, events or individuals” (Easterby-Smith, Thorpe, & Jackson, 2015, p. 89). Furthermore, what distinguishes a case study from other methodologies is its focus on a “bounded situation or system” (Bell, Bryman & Harley, 2019, p. 63). Hence, the context in which a particular situation happens plays an important role (Bell, Bryman & Harley, 2019; Yin, 2009). We argue that a case study suited our paper since it allowed us to understand the research problem in context. Our unit of analysis, i.e., what we were attempting to understand, was bound to the particular setting of being consumers of a company such as Oatly. Therefore, we argue that an understanding of Oatly and the event may contribute to our understanding of consumers’ reactions. Moreover, this approach intends to understand an issue by relying on multiple methods for collecting data such as interviews, documents, visual elements, etc. (Creswell, 2007). We planned on having interviews but also analyse social media interactions in order to gain a broader understanding with regards to the responses investigated.

Finally, the validity of the findings stemming from a case study are debated and it is argued there may be issues regarding their generalisations (Easterby-Smith, Thorpe, & Jackson, 2015). The case study could be either instrumental or intrinsic. In the former case, there is an increased attempt in generalising compared to the latter case (Stake, 1995). The difference between these two typologies of case studies is not always clear-cut (Bell, Bryman, & Harley, 2019). Our single case will entail a group of individuals, comprising consumers that display heterogeneous reactions to the news that Oatly approached Blackstone for an investment. Regarding this, we argue that our case entail features of both an instrumental and an intrinsic case study. The reason is that the situation analysed is peculiar, considering that this specific reaction is relatively uncommon and may be specific to the case analysed. At the same time, it might provide us with insights allowing us to understand similar cases given that the features shared by Oatly and its

consumers may be present in other companies. Therefore, analysing Oatly's case might provide a deeper understanding of the research problem, thus applying to other companies as well.

3.5 Data Generation Method

We agree with Mason (2002) that the nature of qualitative studies makes the use of the term data *generation* more appropriate rather than data *collection*. She argues that since data does not simply lie around waiting to be collected and does not exist unconstrained from our interpretation as researchers, a term such as generation is more fit. She contends that data is generated through our own active understanding, interpretation, and assumptions of the world. Thus, when choosing a method for data generation, it becomes increasingly important to consider the ontological and epistemological assumptions of the study (Mason, 2002). Since our study followed constructivist and interpretivist assumptions, certain methods for generating data were more appropriate than others because they allowed us to delve deeper into participants' perspective and explore their worldviews and interpretation of the events. Both primary and secondary data were used, the former generated through interviews while the latter through social media interactions.

3.5.1 Interviews

There are several methods to generate data, and some fit certain research designs better than others. Because of the qualitative nature of our paper, we considered interviews to be the appropriate primary method for generating the necessary data for our analysis. In qualitative research, interviews are probably the single most common method to generate rich data from individuals delving deeper into understanding their perspective and allowing the interviewees to further explain and clarify any of their responses (Mason, 2002; Sekaran & Bougie, 2016).

As is common amongst most aspects of qualitative research, the different approaches to the methods are seldom mutually exclusive. Rather they are situated on a continuum which is also the case for interviews. On one side, unstructured interviews constitute an interaction in which the interviewer does not *a priori* plan the direction of the interview but rather decides on what to focus on depending on how the interview develops and on what is decided needs further investigation (Sekaran & Bougie, 2016). These interviews often lead to very broad and open-

ended questions and free conversations allowing the interviewer to decide on what topics need to be prioritised. On the other side of the spectrum, structured interviews are conducted in such a way that the interviewer beforehand knows what to ask, what topics to discuss and the subsequent follow-up questions (Sekaran & Bougie, 2016). Somewhere in the middle of the spectrum are semi-structured interviews which better fits the term qualitative interviewing according to some scholars (e.g. Mason, 2002). With this approach, knowledge and meaning are co-created interactively between the interviewer and the interviewee (Mason, 2002). It is structured to some degree, allowing the researcher to determine the topics and general direction of the interaction though it still maintains the necessary freedom for deeper investigation. Burgess described semi-structured interviews as “conversations with purpose” (1984, p. 102) and we argue them to fit well given the scope of this paper.

Once more, the ontological and epistemological assumptions underlying our study played an important role in determining which data generating method was more suitable. Since we aimed to understand the perspective of consumers when a company receives a controversial investment, qualitative interviews allowed us to explore people’s perceptions, understandings, and experiences of their subjective reality (Mason, 2002). Furthermore, qualitative interviews allowed us to explore the context of our case and rather than asking standardised questions, interviewees could further elaborate on the topics they were more engaged in. Moreover, we perceived that semi-structured interactions would simultaneously allow the participants to freely express their interpretations and us to follow up with questions whenever deemed necessary to be able to generate situated data with the possibility of comparison, as maintained by Mason (2002).

Since the interviews we conducted were semi-structured, the questions presented in the appendix were to serve merely as guiding points to be further explored and discussed in depth during the interview. They represent an overview of the topics we intended to analyse, and their purpose was to support us in our endeavour rather than constraining us.

3.5.2 Purposive Sampling

Sampling can be broadly defined as the “principles and procedures used to identify, choose, and gain access to relevant data sources” (Mason, 2002, p. 120). There are quite vast differences in the sampling methods employed by quantitative and qualitative studies. The former is often centred around random sampling where all participants of interest have the same probability of

being the subject of study with the intention of achieving as much representational logic as possible (Creswell, 2014; Sekaran & Bougie, 2016). Qualitative sampling, although sometimes argued to be practical, is also often strategic, according to Mason (2002). She argues that because most qualitative studies focus on depth and a more profound understanding of how things work, sampling in qualitative studies is just as vital to the research process regardless of the generalisability.

Most qualitative research engages in some sort of purposive sampling with the aim of non-probabilistically obtaining a sample relevant to the research question (Bryman & Bell, 2011; Sekaran & Bougie, 2016). It should be noted that purposive sampling is not equal to convenience sampling where the sample selection is primarily based on availability. Purposive sampling has an intended meaning behind it based on criteria, expertise, or relevance, for instance (Bryman & Bell, 2011). Hence, a specific target group can be selected which holds certain information of interest to the researcher or have experienced some kind of phenomena that others have not (Sekaran & Bougie, 2016).

In our case, we were interested in Oatly's consumers. Specifically, it was necessary for our research that they were aware of the controversy related to Blackstone and had expressed their opinion towards Oatly's decision. Therefore, we argued purposive sampling to be of interest; not only did it provide an efficient and time-saving approach to selecting relevant research subjects, but it also allowed us to select the participants who we knew were aware of the event. Since it would not be efficient nor appropriate given the COVID-19 pandemic to approach people in person and ask them whether they were consumers of Oatly, were aware of the event, and were willing to participate in our study, we decided to contact people via social media.

Through platforms such as Facebook and Instagram, we reached out to people who had been actively responding to Oatly's official posts across several platforms of social media regarding the issue. Since we wanted to interview customers who personally had or had had a relationship with Oatly and were not just simply expressing their opinion about the company, we contacted people who we understood had consumed Oatly's products. Our criteria for selecting our research participants were thus: (i) *Is or was the person a customer of Oatly?* (ii) *Is the person aware of the Blackstone investment controversy regarding Oatly?* We deemed these two criteria to be necessary for a person to be an eligible subject for our study. If the person would simply have been a customer, we would not have been able to understand their reaction to the event. If the person would have simply been expressing themselves on social media posts, we argue that

it would not have been enough to analyse their situation from the lens of the theories. Additionally, with the purpose of following Creswell and Guetterman’s “maximal variation sampling” (2021, p. 241), we intended to interview consumers which had shown heterogeneous reactions and therefore did not only contact people with a specific reaction. A brief description of the participants can be seen in *Table 1*.

Table 1 – Description of participants

DESCRIPTION OF PARTICIPANTS
No. of participants: 8
Age: 21-55
Country of origin: Australia, Hungary, UK, USA
Consumption habits: largely vegan diet
Drivers of purchases: environmental impact (expressed through material and origin of the product), quality, taste, affordability, ethicality, aesthetic appeal

3.5.3 Secondary Data – Digital Material

To complement the primary data generated through the interviews, we relied on secondary data as well, namely digital material. In this way, we wished to achieve triangulation in order to “increase confidence in our interpretation” (Stake, 1995, p. 114). This allowed us to go beyond the perspectives of our participants and broaden the range of our data. It is recognised by Creswell and Creswell (2018) that digital material can complement the data generated through interviews. Therefore, we focused on social media interactions retrieved from the platform Instagram to complement the interviews. Because of the virality of the event and the way it spread on social media, we believe that including perspectives from this data source expanded the angles from which we were able to address the research questions. Whenever these two methods generated data were comparable, they also allowed us to substantiate our interview findings and empirical resonance, as suggested by Mason (2002).

3.6 Data Analysis

All the data generated previously was analysed through a thematic analysis which focused on finding themes within the data generated. Ryan and Russell (2003) argue that much research performs some sort of thematic analysis without specifying the procedures through which those themes are established. Themes could both arise from the data analysed but also “from the investigator’s prior theoretical understanding of the phenomenon under study” (Ryan & Russell, 2003, p. 88). This suited with the abductive approach, where we were both informed by the theories discussed earlier, but also explored the data in search for themes not previously accounted for. Furthermore, thematic analysis allows comparisons between the accounts of the interviewees (Nowell, Norris, White, & Moules, 2017).

Our analysis was informed by Nowell et al. (2017)’s approach. They have identified specific phases a thematic analysis should follow while preserving its reliability. Firstly, we needed to get to know the data generated, which we did by reading multiple times the transcripts of the interviews conducted as well as the social media posts selected. Subsequently, we created codes in a consistent manner and decided to “identify interesting aspects in the data items that may form the basis of themes across the data set” (Nowell et al., 2017). We created themes based on their potential to address the research questions. As previously stated, themes could be either deductive or inductive based on the extent to which they have been informed by the theories and literature discussed (Nowell et al., 2017). It is also possible to have some themes generated deductively and other ones generated inductively (Fereday & Muir-Cochrane, 2006). We approached the data in an open-minded way without being restricted by the literature discussed; nonetheless, some of the themes were informed by the theories and the literature presented.

Hence, while some themes were created prior to the analysis, others were created when analysing the data. Since we have two research questions, we created themes both with regards to the reaction, but also to the subsequent implications. The themes can be seen in *Figure 1* and *Figure 2*.

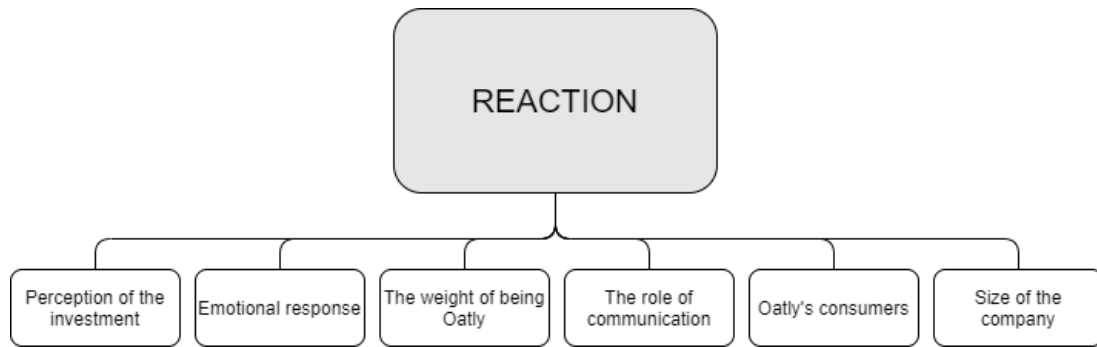


Figure 1 – Themes for reaction

Regarding the reactions, themes that were informed by the theories and literature are the *perception of the investment* and the *emotional response*, mainly informed by AT and PCT, and *the weight of being Oatly* and *Oatly's consumers*, informed by the literature on ethical consumerism. The other themes, which are, *the role of communication* and *the size of the company*, despite showing some connections to the theories and literature, emerged from the data. Hence, they are not the product of some preconceived code. For implications instead, only *Oatly's image* was directly informed by the literature. *Purchasing intentions* and *word-of-mouth* were created while analysing the data.

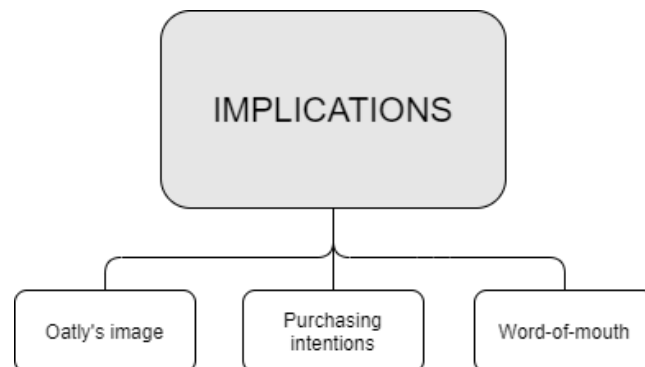


Figure 2 – Themes for implications

After having created the themes, we reviewed them, named them, and made sure they were not too similar to each other, thus adjusting them in a way that would allow us to grasp a comprehensive picture of the problem under scrutiny. Eventually, we wrote the analysis discussing the findings and their relevance considering the literature presented priorly (Nowell et al., 2017).

After presenting the themes, we discussed how the findings interact with each other in light of the theoretical framework adopted, thus seeing how well this contribute to understanding consumers' responses to the event considered in this paper. When doing this, we did not only show where the theories had been useful but also challenged them in those instances where they had diverged from our findings.

3.7 Research Quality

We have in the process of writing this thesis strived to the best of our abilities to ensure the appropriate research quality. When assessing the quality of research, measures such as reliability, validity, and generalisability are often evaluated. The reason for this is to ensure that any conclusions obtained through the research are rigorous, well-founded, justifiable, and accurate (Sekaran & Bougie, 2016). While the terms reliability, validity, and generalisability conventionally refer to “standardization of research instruments” and “operationalization of concepts” in quantitative research (Mason, 2002, p. 39), they do not carry the same meaning in qualitative studies (Sekaran & Bougie, 2016) and researchers have for decades had a discussion about its adequacy (Seale, 1999). As it happens, some even argue that these concepts are irrelevant or peripheral to qualitative research (Denzin, 1988; Denzin & Lincoln, 1998). While others suggest that the concepts in themselves are not necessarily troublesome, but rather need to be re-applied in the context of qualitative endeavours (Mason, 2002). What seems to be a common agreement amongst most scholars though is that some general procedures are needed to ensure that the results of a study can be trusted and are well-grounded.

Qualitative validity refers to how precise and accurate the conclusions are (Creswell, 2014), i.e., what is seen and observed is indeed what it is claimed to be (Mason, 2002). Qualitative reliability refers instead to whether the research approach and strategies can produce the data intended to be found (Mason, 2002). Qualitative generalisability is not something commonly discussed, at least not in the empirical sense, but can be applicable depending on the types of general claims, according to Mason (2002). She argues that generalisability can be relevant in the context of a “wider theoretical resonance” regardless of the empirical representativeness of the sample (2002, p. 39). In our case, we are not trying to argue that the responses of our participants are representative of the whole population. Instead, we hope that by analysing their reactions we can provide hints regarding important issues for businesses in a global investment

context and hence demonstrate how the theories can be re-applied in different contexts. As in any qualitative study, the generalisability of our findings will be rather constrained. Nevertheless, we have reached out to consumers of Oatly who have had heterogeneous reactions to the event. This expands our analysis and allows us to show the different perspectives on the issue as suggested by Creswell and Guetterman's "maximal variation sampling" (2021, p. 241).

In our study, we took several measures in order to ensure and enhance the research quality. In our semi-structured interviews, we used the questions presented above as guiding points for the discussion. No interview was the same as the other and some questions that were asked to some participants were not as relevant for others depending on how the interviews developed. Despite this, our interviews were conducted by the same person in order to achieve some degree of consistency and the interviewer steered the discussion in the direction necessary to ensure the comparability of the answers. Furthermore, as researchers, we inherently imposed our own biases and experiences in the interpretation of our data. We are aware of the role our views play in the interpretation of our data. However, both of us come from vastly different backgrounds and cultures and working together allowed us to discuss how our own personal views and experiences were reflected in our interpretation and analysis. Since our backgrounds were so different, we had faith that we could positively challenge each other's views and offer input to one another whenever deemed necessary for the research quality of our paper. Reflectivity is a central component of qualitative research (Creswell, 2014) and although we have made extensive efforts to remain as objective and factual as possible, who we are as people will inevitably be reflected in this study. We are committed to staying transparent about our sampling, our interviewing process, and our methodology in general. Our interview protocol will be available in Appendix B. Additionally, even though the quotes from interviews in the analysis and discussion chapter have been tidied to enhance their readability, their meaning has not been altered.

3.8 Research Ethics

The ethicality of the research process was of utmost importance to us, and even though ethical dilemmas seldom have a single best answer, we pushed ourselves to take the ethics of our study into substantial consideration. First of all, our intention was not to speak negatively of neither

Oatly nor Blackstone. It was well out of the scope of this paper to be the ethical judge of any of the party's decisions. We merely intended to understand how consumers reacted to certain event and what it implied for their association with the company.

Furthermore, following the line of argument regarding ethics in the data collection proposed by Sekaran and Bougie (2016), we maintained the anonymity of the participants in the study. We made sure to inform our participants of the purpose of our study and had in written form their consent of being audio-recorded, in line with suggestions from Bryman and Bell (2011). No personal or invasive information was requested from them, and it was brought to their attention that it was completely voluntary to participate in our study. Were they ever made to feel uncomfortable with our research, they were free to leave the interview at any time. After the interviews had been transcribed to written form, the recordings were deleted, and the transcriptions were stored securely. Apart from the interviews, all data used in our study was based on publicly available information through websites, social media, and newspapers. Thus, we were not at risk of leaking any sensitive corporate information.

4 Analysis and Discussion

The analysis delves into the primary and secondary data generated to understand why consumers reacted as they did, why their reactions were not homogeneous, and what the implications of this event were for Oatly. In order to do so, we present relevant data both for the group of participants interviewed and for those expressing their perception of the event on social media. Findings are discussed in light of the theories presented previously, and in their potential to answer the research questions. During the analysis we refer to the theories whenever we believe they may contribute to understanding consumers' responses; we do the same when the data suggests that the theories may be challenged.

4.1 Reaction

This part focuses on the themes that help us answer the first research question, i.e., how the reaction of consumers can be understood. Different themes are explored such as how participants perceived the investment, their emotional response, the weight of being Oatly, the role played by Oatly's communication, consumers themselves, and the impact the size of companies had in consumers' perspective. We believe that these themes together may contribute to creating a comprehensive picture that could contribute to our understanding of consumers' reaction.

4.1.1 Perception of the Investment

Most participants seem to recognise Oatly's intentions of expanding its business and agree with the company that in order to pursue the goal of a shift towards plant-based food, an external investor was needed. What some participants did not agree on, however, was how Oatly went about the investment and ultimately on who invested in the company. Some of the participants argued that there were many ways in which Oatly could have reached its goal without having to specifically approach Blackstone; hence, they perceived the investment from Blackstone to be avoidable. Moreover, while some argued that the decision was based on financial gain rather

than on sustainability, others contended that receiving the investment from Blackstone was the correct choice in moving the world of private equity firms towards more sustainable companies.

There's plenty of money for companies like that without having to go to Blackstone. [They chose Blackstone because] it was available, it was profitable, it was generous, it was big, it meant that they all suddenly could get more money for themselves (Participant 2).

I think the partnership with Blackstone is not something that I would do because there are better investment firms out there. ... I think that if I had been Oatly and I wanted to stay true to the whole making the world a better place, "we care about our consumers", that kind of thing, then just partner with an investing firm that invests in green funds (Participant 4).

Consequently, we understand from these extracts that the participants perceived Oatly to have been in control of the situation by having numerous options. Therefore, despite having imminent expansion plans, choosing Blackstone was not necessary. These participants are not the only ones to have this perspective, as can be seen from the social media interaction in Appendix C1. The commenter also perceived Oatly to have power and control over the relationship the company had incurred with the investor.

As mentioned, not all participants had the same perception of this. Even though all participants made their negative view of Blackstone clear, the investment decision was understood with a great variety among them. Some argued that the investment would not only allow Oatly to grow and make its products more accessible to more people, but by channelling money from private equity firms to sustainable businesses, it could send a message about the profitability of these companies and attract more investments towards them.

I did a bit more research into it and understood why they did so ... I think, with brands, they inevitably want to grow. But the reason, in this case with Oatly, you want to make this milk more accessible to others, right? (Participant 5)

If they're able to show a huge investing company like Blackstone, that there is a huge return on investment for shifting away from dairy products towards the products that they're trying to sell, then you're going to maybe encourage Blackstone to reconsider

these existing investment opportunities and shift towards a more sustainable practice (Participant 7).

Reaching more people and being able to put the price down or raise the wages of your workers I feel is more important than just trying to get money funded very ethically (Participant 8)

What we interpret from this is a divergence between whether participants think that the benefits that may arise from the investment are significant enough to outweigh the negative that they attribute to the association with Blackstone. In essence, we understand from this that it could be a question of whether the participants perceive the end to justify the means, even though there are clear nuances that will be explored further in the analysis. Similar perspectives can be observed from Appendix C2 and C3. In summary, the participants interviewed seem to agree with Oatly's overall goal of shifting the world towards sustainability, but their perception of the right path to get there is what differs mostly.

Another interesting point brought up by the participants which supported Oatly's investment decision was the negative sides of boycotting companies and the inherent negative consequences it would have for Oatly's overarching intentions. These participants claimed they went through an additional layer to understand Oatly's decision and stated that supporting Oatly would in the long term prove to have a net positive effect.

If we do go and boycott Oatly, Blackstone will be like: "okay, this investment was not worth it. Because look at them now, no one's consuming them" and they're not going to go and invest in another sustainable brand again, because they'd be like: "no, any sustainable brand has an army of people that are just going to boycott whoever we come close to" (Participant 5).

As mentioned previously, their argumentation, which is in line with Oatly's, concerns how sustainable companies can prove themselves profitable and show the investment giants that it can indeed be beneficial to invest in them, thus attracting more investments. Following this narrative, the participants argued that if Oatly lost a significant portion of its revenue due to consumers refraining from buying its products, it could worsen the very thing people boycotting the company are looking to avoid.

Subsequently, there were additional perspectives on the investment decision concerning Oatly's principles and values. While some participants positioning themselves against Oatly's decision perceived Oatly to have breached the responsibility it had towards its ethos, other participants that supported Oatly perceived the company to instead have fulfilled it.

I think at that point, it's not where they have responsibilities to us, but they have a responsibility to their own ethos that they sent out and what their intentions were (Participant 1).

The brand ethos at the beginning was very kind of moralistic I would say, and I think that obviously the partnership with Blackstone kind of undermined that in a lot of people's minds (Participant 4).

I think it is in line with Oatly's values because, if your value is and your mission is to reduce the most amount of harm and the most amount of suffering and to reach the most amount of people ..., if that's your mission, then one hundred per cent, this would be in line with that (Participant 6).

It is interesting to see the variation the participants have had on whether the investment process represented a confirmation of Oatly's original values. It seems, however, that participants who believed it to be more in line with who it is as a company have had a more positive inclination towards the event. It is noteworthy that some of these participants claimed that investments do not contribute significantly to their general assessment of a company. One argument behind this is the widespread extension of the phenomenon making the quest for completely ethical companies unsuccessful.

Because literally any vegan company could have been targeted, if we're holding them to a standard of never having interacted with or been invested with or been helped by a problematic entity (Participant 6).

A lot of ethical companies get too much weight put on them. There are big, giant, terrible companies that go around doing whatever they want, and nobody cares. But the second a better company makes a simple mistake they get piled on ... they have to do everything perfectly; they're not allowed to make mistakes (Participant 8).

Additionally, one participant felt this to be an ambitious standard of assessment, at least referring to the food industry.

I don't go as far as having a look at brands and who their investments lie in. I mean it's great if you can, that means that you have time to do so (Participant 5).

In understanding the reaction of some of these participants, we could make use of Morrison and Robinson (1997)'s distinction between renegeing and incongruence with regards to psychological contract breach. In the former case, one of the parties consciously breaks the contract by acting differently than what it promised, regardless of whether it did so wilfully or not; while in the latter, there is a misalignment between the promises perceived between the two parties. We argue that the reaction of certain consumers at Oatly share similarities with directions deriving from renegeing. Some participants discussed that Oatly knew its consumers and would be surprised if Oatly had overseen its basic market research and should thus have expected its consumers to react negatively.

Another argument was that Oatly tried to strategically be discreet about the investment from Blackstone, indicating that it knew its consumers would react negatively and tried to avoid attention. From some of the consumers' perspective, Oatly was probably aware of the reaction it could spark and how its decision would be seen but decided to do so either way. This is consistent with research studying the effects different reasons for the breach of a psychological contract have on the subsequent reactions (e.g. Morrison & Robinson, 1997; Robinson & Rousseau, 1994). If a party perceives that a contract has renegeed, the following distress is more intense relative to an incongruence of contracts, as will be seen in the next section. Moreover, for the participants which did support Oatly's decision, it becomes increasingly problematic to analyse the concept of psychological contracts. While it might be that there were no contracts, to begin with, it is also possible that Oatly's decision was not part of their psychological contract. It is also plausible that the participants who did not support Oatly's decision did not do so because they felt that it was a breach of the contract, while participants supporting the decision were not as committed towards the company.

With regards to AT instead, we discussed the differences between internal and external motives. Even though the difference may be blurred, we would argue that for most participants Oatly made the decision consciously; hence, it is understandable from internal motives residing within the company. As discussed in Nijssen, Schepers, and Belanche (2016), different dispositional attributions lead to different reactions. We have noticed that those participants who reacted negatively to the event proposed alternative ways to receive investments and stressed as internal motives something relatable to greed. On the other hand, those participants who reacted

positively focused on the convergence between the decision and Oatly's values, and the positive consequences this investment could have. Despite this, we grasped from these participants a lack of confidence towards the actual internal motives driving Oatly's decision. Hence, we would argue that for some, the outcomes could be seen as more important, and as previously mentioned, the benefits deriving from this decision may outweigh any dubious motives behind the actual decision.

Nonetheless, some external motives could be perceived. Some participants argued that companies need to grow, especially if plant-based foods wish to be competitive. Hence, it is arguable that for these participants, the context played an important role and was something that may have influenced their decision. It is noteworthy that those participants who mentioned certain external motives were more lenient in their reactions.

4.1.2 Emotional Response

We have seen what participants think about the investment decision in itself. In this part, we would like to go beyond the reaction at the surface level in order to understand the emotions sparked by this decision while attempting to make sense of them. Different emotions followed Oatly's decision of selling 10% of its equity to Blackstone. Among these, we noticed anger, disappointment, and sadness. Some participants stated that these emotions stemmed from the nature of the relationship they had with the company.

I felt very disappointed and just sad because it felt like the company had grown for a really long time, ... it felt like they had our interests in mind, and it felt like everybody was in an agreement (Participant 1).

Additionally, what is of particular interest in this response is the relationship between the company and its consumers. It seems that some of the consumers initially felt that they had an agreement with Oatly, which once broken caused the distress expressed by some of the participants. One participant tried to make sense of her reaction by asserting that Oatly did not live up to its promises, which although implicit, existed in her mind. During the interview, she quoted directly from Oatly's webpage and summed up her feelings and reactions.

I just felt weirdly, I don't know why, but I felt particularly angry about Oatly, I felt particularly annoyed about Oatly, because of the things they say on their website, and I

don't feel like really strongly about products ..., but it's just the mendacity of it (Participant 2).

A topic that this participant brought up was also extensively discussed during other interviews; their perspective of Oatly's broader intentions, which some argued to not be focused on the vegan community. The reasoning goes that since Oatly overarching goal is to shift global consumption towards plant-based products, it is not enough to simply offer vegan products to vegans. Rather, its main focus lies in reaching out to the broader market and offering the opportunity to shift to a plant-based diet. While expanding Oatly's operations and being able to provide a global market made sense to the participants who brought up the issue, we understood from them a feeling of having been exploited.

*The reason why this particular one is more upsetting than other things in the commercial world ... it's got this kind of "f*ck you" element to it ..., it's got this kind of like, we don't actually need you to like us, we don't need you to actually have ethics, we just needed a springboard to get us off the ground. But thanks very much (participant 2).*

We previously mentioned the concept of promises. Not all participants specifically mentioned promises, but participants which were negatively inclined towards the event responded in a similar fashion without mentioning the concept in particular. As argued by Rousseau (2001), promises can be perceived through the image a company presents of itself. We argue this to be the case for several of the participants interviewed and their feelings of betrayal. Moreover, they showed significant trust in what Oatly had transmitted to them via social media, marketing, and on its website.

When they say: "we're ethical", "we put our ethics before money", they specifically said that. So, they are implying that they don't work with companies that are tangentially involved in deforestation of the Amazon. In my mind, I think it's more than implied, it's promised, really, it's said outright, we will put ethics before money (Participant 2).

What these participants have stated regarding their feelings and emotions towards Oatly's investment decision has been largely consistent with what many of Oatly's other consumers have said in their social media interactions. From Appendix C4, the person commenting expresses feelings of sadness in addition to disappointment, similar to what Participant 1 expressed. From Appendix C5 and C6 instead, the comment shares some characteristics with

what Participant 4 had previously indicated. Particularly by expressing their perception of Oatly's original motives and principles being false, to begin with.

It becomes evident from the interviews and the social media posts analysed that the feelings and reactions displayed by several consumers following Oatly's financing do indeed resemble the feeling displayed when a psychological contract is breached. As argued by Robinson and Rousseau (1994), the breach of a psychological contract differs from the breach of mere expectations in that the former does not only produce disappointment but also more intense feelings when a promise is broken such as anger, sadness, and feelings of betrayal. In addition to the harsher feelings, the authors argue that the breach has detrimental effects on trust towards the other party. They contend that the loss of trust is not only directed towards the other party as such, but also towards its motives and intentions, which could be perceived to have either changed or have been false from the beginning. What Robinson and Rousseau (1994) suggest was originally intended to apply in the employee-employer relationship. Despite this, given what the interviewees have brought to light regarding their subsequent emotions, the loss of trust, and how Oatly's motives and principles are perceived, we argue that for the customers we interviewed with negative views on the investment, PCT does indeed seem to have noteworthy relevance in understanding these feelings and reactions.

At the same time, some participants also displayed feelings of indifference towards the investment decision. The arguments were that there are more harmful activities that should be worthy of attention instead of directing it towards the event considered in this paper.

My reaction with Oatly was like indifference ..., but in reality, there are tons of problematic entities investing in vegan companies, actually, most vegan companies are owned or invested in by their animal-product counterparts. So, there's no purity in the market, and I don't see anyone making a fuss about that (Participant 6).

Interestingly enough, some of the participants which were positively inclined towards Oatly's decision found it either hard to trust Oatly or had no trust in Oatly. It is hard to tell if this has had any effect on the relatively positive reaction the participants had. Robinson (1996) suggests that when there is low trust, the individual is more likely to perceive if there is a breach of the psychological contract and remain more vigilant of the other party's actions. However, since there might not have been trust towards the company, there may not have been a psychological contract to breach and intense feeling are therefore not developed. This became visible when

Participant 5 indicated that another brand in which the participant had more trust in and was more committed to, enacted a similar decision to Oatly of receiving a controversial investment. The participant, in this case, expressed much stronger feelings compared to Oatly's investment and decided not to support the company anymore.

Tala call themselves sustainable, you know, said that they were slow fashion. And maybe two or three months ago, they partnered with ASOS, which is a fast fashion brand. And I saw that partnership and I was outraged because I actually had waited like a full year before I bought any products from this brand (Participant 5).

When asked about the reasons for reacting differently in Oatly's case and the other brand's case, the participant said:

I probably had more of a personal connection with that brand. Which is why when I found out they partnered with ASOS, it affected me more than it would have affected the Oatly-Blackstone partnership purely because I was more invested in Tala (Participant 5).

The participant had previously stated that it was difficult to trust Oatly because it was difficult to verify its claims and find information about what it was actually doing. However, she supported Oatly in its expansion decision and the Blackstone investment. As argued by Conway, Guest, and Trenberth (2011), these more subtle and suppressed reactions could be attributed to the fulfilment of contracts leading to relatively more dampened outcomes because of the limited sensations caused. It is also possible that these participants were not as committed towards the company or did not trust Oatly enough to develop feelings of betrayal.

4.1.3 The Weight of Being Oatly

We believe that the emotions previously analysed could be understood through a factor that seemed increasingly important to participants: trust. Some participants indicated that they had had some initial trust in Oatly before the investment from Blackstone but that it had either been degraded or completely lost. Moreover, the trust towards Oatly that had been affected concerned Oatly's background, principles, and intentions. It became apparent to us that the trust was based on Oatly's branding and marketing.

When I think about a brand like them, a company like them, I feel like it's not just about money, it's about the planet, it's about people. Basically, if you're willing to team up with

Blackstone, maybe it's more about money than I thought, and that's losing your trust as a customer (Participant 3).

It branded itself as having those principles, but it never actually had those principles. And it was just like, maybe I was full about marketing, and maybe that did undermine my trust as a consumer (Participant 4).

We understand from this that the consumers had some preconceived notions about Oatly's intentions for doing its business due to how the company had branded itself and that the consumers trusted it enough to think that they were aware of its motives. Were it not for these preconceptions and the trust, we don't think the investment decision would have caused the same type of emotional reactions in the consumers as it did, because it wouldn't have caused the same sense of betrayal. In other words, presenting yourself as an ethical and sustainable company is not only advantageous. It leads to a potential burden that needs to be factored in when controversies like the event considered in this paper arise. From the moment that the company's values are no longer perceived to be genuine by certain consumers, a backlash could be expected.

If Crocs decide to suddenly ... be backed by Blackstone, I wouldn't care. Still would never wear them but I don't care. I'm not angry at Crocs for doing that, because they always set themselves up as a company that just makes plastic shoes. They're not harnessing my ethics to sell something to me. Therefore, the crime of going to Blackstone is not a crime, it's just business. It's just that Oatly specifically set themselves up to sell to a very discerning type of person. ... That's why it's a problem for me (Participant 2).

Hence, we argue that the weight of being Oatly manifests itself in the necessity to sustain in the eyes of consumers the values at the core of its activities, values upon which trust could be built. The perceived betrayal of those values is particularly detrimental, especially if it cannot be motivated by credible and agreeable reasons. Therefore, the reaction, as suggested by the interviews analysed, will be particularly severe, presumably more than if Oatly had not been Oatly.

In contrast, the initial feeling of other participants was analogous to the ones discussed previously but changed once they investigated the issue further and became aware of Oatly's motives. These participants understood where the decision was coming from and supported Oatly's endeavour.

I was a bit shocked why they would do something that would anger so many people or disappoint so many people. I thought that there must be a reason behind it. So, I just started doing my own research, because it's easy to just go with the general consensus ... and I understood why they did so (Participant 5).

I was really shocked ... and I was like, I'm gonna do one more layer of research to really make sure until I change my opinion. And so I read like a couple of articles on it, and that's really all it took to realise this isn't the big deal that everyone is making it to be (Participant 6).

These participants did not perceive Oatly to have deviated from what they believed were its original intentions. They thus argued that the decision was not felt to be in contraposition with Oatly's values they had been supporting.

Hence, the intensity of the reactions was more acute for the participants who stated that Oatly's decision was felt as a betrayal and in contrast to its values. Participants who agreed with Oatly and saw in this decision a continuation of its values did not spend words with an equal emotional charge. We argue that this reaction is in line with Creyer and Ross (1997)'s argument presented previously: "if ethical behavior is the reference point against which corporate behavior is evaluated, unethical behavior should be seen as a failure to attain the reference point and thus viewed as a loss" and "[e]thical behaviors should not be valued highly by consumers if all they do is meet the reference point, or expectation." (p. 424). We have previously discussed that Oatly presented itself in a certain way and that consumers believed that the company's intentions and values were upright. Ergo, we argue that this functioned as the reference point mentioned by Creyer and Ross (1997), reference point from which Oatly departed according to the participants developing a negative reaction. On the other hand, for the other participants, it is arguable that Oatly, at best, behaved in accordance with the reference point, thus leading to more placid reactions.

Additionally, all the participants mentioned that Oatly had a certain reputation of being an ethical and sustainable company. Dean (2003) discussed that negative attributions could be more severe when a company with a high reputation committed something perceived to be in contrast with whom it presented itself to be. If instead, the action was in line with consumers' perception of the company, no large reaction would follow. We argue something similar

manifested in our analysis of the data. Participants who reacted negatively did so strongly, while those who agreed with Oatly's decision did not show the same intensity of reactions.

4.1.4 The Role of Communication

The communication from Oatly's part towards the public following the investment from Blackstone was met with diverse reactions. Some participants that agreed with Oatly appreciated its response to the controversy and were impressed by it. Others which did not agree with the company indicated that they had not seen any response from Oatly because the company wanted to keep the topic discreet. At the same time, several participants showing their support indicated that reading Oatly's statement about the issue was consequential to their response as seen previously, this can also be perceived in Appendix C7. Others read their statement but did not perceive it to be enough to change their minds.

It really impressed me their response because they were commenting under every person that commented. ... They released a video and like a long statement explaining their perspective and it felt like they were really trying to grapple with the ethics of the situation versus just trying to cover it up (Participant 6).

I think their decision speaks louder than any words they can say afterwards to try and like put the wool over our eyes (Participant 1).

It hasn't been visible because if they respond, they just make more people aware of it... So I haven't really seen anything. Maybe one? No, actually, I'm misremembering that, I haven't seen anything (Participant 2).

Another noteworthy discussion point was that one participant did not become aware of the controversy until Oatly addressed it on social media. The participant argued that if it had not been for Oatly's response on social media, it might have remained unknown. However, Oatly's response was appreciated and contributed to the decision of supporting the company since it was perceived that Oatly stayed true to its own principles instead of retracting its decision in the light of criticism.

I appreciated the pushback, because if a brand does something and it's controversial for some reason, or they get a lot of pushback, and then you start seeing them apologise and sort of retract and say: "okay, we won't do this anymore", then that shows me that they're

not grounded, they're not committed to what they care about. So Oatly pushing back on the criticism and saying: "hey, this is why we did this and we're gonna be grounded in that", then that was really an important thing for me (Participant 7).

The communication and the interaction that Oatly had following the controversy seems to have had a significant impact on how its consumers have reacted. Some scholars argue that communication and information can not only alleviate the negative effects of a psychological contract breach (Bankins, 2012), but also reduce the probability of it being perceived to be breached, to begin with (Chaudhry, Wayne, & Schalk, 2009).

4.1.5 Oatly's Consumers

Another element that may contribute to our understanding of consumers' reaction to this event is the nature of Oatly's consumers. It is arguable that Oatly, by marketing itself in the way described previously and by endorsing certain values, attracts certain types of consumers which could then be contextualised through the concept of ethical consumerism. Hence, these consumers are conscious both regarding the product they are purchasing as well as the company offering said product. Consumption has the aim of not being burdensome neither for the environment nor for society as a whole. We argue that all the participants interviewed displayed features which would characterise them as conscious consumers. This was visible in what drove their purchase: the environmental and ethical impact of their purchases was prominent, while price, despite mentioned by some, was not stressed to the same extent.

Furthermore, as we mentioned previously, conscious consumers are also interested in the company offering a specific product. We have seen that some participants stated that they researched Oatly's decision in order to make an informed decision. This happened both for consumers who reacted negatively to the event and for consumers who had a different position. It is interesting to notice that participants themselves suggested this possibility, i.e., they claimed that certain products tend to attract certain consumers which are more interested in layers that go beyond the surface level.

As a consumer of Oatly, it's more likely that the generic consumer will skew vegan because it's an oat milk drink, and vegans probably are more kind of interested in activism and all this side of things. Oatly's vegan consumer base probably will have had that trust undermined. But I would say that the people who aren't vegan, which is the

market that Oatly is really trying to get into, they won't care about this, because they don't care about activism (Participant 4).

Interestingly, this position was shared also by those participants who did not react negatively to the event.

But what's unfortunate is that the central demographic doesn't have much of a consumer sway, but they have a very big social sway, because these people that really care about this sort of stuff, they are going to make a lot of noise about it. And it kind of ripples out in a very diluted way or in a very counterfactual way, oftentimes (Participant 6).

Hence, we believe that the echo this decision has had, and the intensity of the reactions could potentially be understood by looking at the consumers Oatly tends to attract. And that could be said for consumers criticising the company for its decision but also for those defending the decision and arguing for why it is legitimate. The fact that the reactions were discordant could be understood as to whether consumers perceived the decision was conscious or not.

PCT has been limitedly applied in this type of context. From what the participants have stated, however, they seem to perceive that Oatly's consumers follow a certain ideology that makes them more passionate and connect stronger with the brands they support. This further leads them to be more vigilant of the brands they do support in case of any perceived misconduct. Some participants argued that because of this, Oatly's consumers were quick to criticise and developed stronger feelings towards the investment from Blackstone.

4.1.6 Size of the Company

One theme that emerged during many of the interviews is the size of the company and the problematic consequences of becoming large or having to deal with large corporations. In fact, Oatly's decision of being financed by Blackstone marked for many of the participants the departure from being a small company. Besides the controversial nature of the investment, this departure may have contributed to understanding the reaction following the decision.

I always tried to support smaller brands, independent companies, like all of this. And I tried to be ethical in my choices as a consumer. And I think that when Oatly made this massive deal with Blackstone, it went from being a small ethical brand that I wanted to support to being just another company (Participant 4).

Therefore, for some of the participants, when a company becomes large, more problems arise. We understood from the interviews that the problem of becoming a large company is that the small business, with its values and goals, becomes “corrupted”, shifting the scope of its existence towards profit maximisation. This was also something we perceived from some of the comments on social media as seen in Appendix C8. Consequently, in the eyes of some participants, the values of the company change.

I think the bigger you get as a company, the more you lose from your ethos, the more you lose from your accountability. I don't think, especially with their product, that you have to go this big, you have to be all around the world with your oat milk because you easily can create these products up in almost every country in the world. Why would you bring your product over to America or to Asia? I don't think they should be these big, I don't think that should be the aim (Participant 3).

I think it's easier for smaller companies to stand for what they believe in. But as you grow, and you have financial responsibility, you get often a lot of money from people, it's really hard to turn that type of thing down, I can understand that. I just don't think it was a good idea (Participant 1).

We believe that it is hard to know whether Oatly remaining small was part of a psychological contract with its consumers. Hence, we suggest that it is more credible that the intense reactions following the investment, similar to those displayed during a psychological contract breach, originated because of the controversy of the investment rather than the decision of increasing in size. In other words, a similar investment deriving from a company that was not Blackstone may have sparked different reactions. In fact, some participants discussed alternative ways of being financed such as through green investment companies, thus suggesting that the problem may be losing your values while growing rather than growing in itself. Moreover, one participant stated that despite larger companies being more problematic, this connection applies to the specific system in which companies operate, and consequently entails those companies that want to preserve the status quo. Oatly, in the eye of this participant, is seen as a game-changer, and thus immune from the criticism of desiring to expand.

If you are a huge banker, or a huge equity investment firm, who has been an enabler of these companies that own a current big market share, ... in a society saturated with exploitation, if you're running that society, you definitely are more likely to have a hand

in that exploitation and be exploiting people and workers and animals. But if society changes, so if we live in a more sustainable and equitable society, then whoever is having a big market share, that would obviously not be a major exploiter (Participant 6).

Nevertheless, as seen in the quotes presented previously, we still believe that increasing in size may make a company more suspicious in the eyes of the consumers and that there may be a preference for companies remaining small.

4.2 Implications

This section collects all the implications deriving from the decision of being financed by Blackstone, with respect to the image of the company, future purchasing intentions, and word-of-mouth. Hence, we have discussed this in the three themes that will follow.

4.2.1 Oatly's Image

The decision of approaching Blackstone has had ambivalent consequences for Oatly's image. Participants' perspective of Oatly has either changed dramatically or remained the same. We are going to present participants' perception of the company's image accompanied by an understanding of potential reasons behind such implications.

Some participants claimed that their view of Oatly changed dramatically after the investment. They argue that financial growth was the main driver behind the investment decision, thus asserting that Oatly betrayed its own values.

I can't confidently say that they have the same intentions regarding environmental issues ... That in itself would suggest they're maybe loosening up their ethos to grow as a company for financial gain (Participant 1).

One participant mentioned that it betrayed values it never actually had.

I thought Oatly's business motivation was partly to make the world a better place through reducing carbon emissions due to the consumption of cow's milk. Was that naive of me? Definitely. Because that is just marketing (Participant 4).

On the other hand, some participants maintained the same perspective on Oatly, claiming that the decision was in line with the company's values.

They really do such a good job in sticking to their values. And not just as a marketing thing (Participant 6).

It seems to me like it was one of those brands that they know who they're about, and they know where they want to get to, and they're not afraid to be honest about how they got there. So, I appreciate that (Participant 7).

Furthermore, it is reasonable to think that the implications on the company's image were influenced by how convincing Oatly's reasons were in the eyes of participants. For some participants, Oatly's decision was avoidable, and the motives behind Oatly's decision were not noble.

It's just kind of like, sitting down in office and they looked at each other and they're like: "shall we? Should we take this money? It's pretty easy money. It just comes straight in in one big chunk. We just do that" (Participant 2).

I think it's the greed, it's the money, which is always there. And it just changes everything (Participant 3).

Other participants espoused Oatly's arguments, claiming the decision to be necessary.

You have a supermarket that holds several products and when you buy from that supermarket, it sustains that supermarket and their sale of other non-vegan products or unethical products. And in the same way with the private equity firm, they're gonna invest in one thing, and that's sustaining the firm and all its unethical activities. But as we support that relatively ethical activity, they're going to expand that section. So like the vegan section of the grocery store, extending the vegan or ethical portfolio of a private equity firm, will expand also with consumer demand (Participant 6).

They mentioned that if they had stuck with just the investment companies that were considered sustainable, they would have been a very, very tiny sliver (Participant 7).

AT contributes to understanding the consequences following consumers' reactions to this event. As we have seen, the impact this event has had on Oatly's image in the eyes of the participants

has not been clear-cut. AT, as discussed in previous chapters, predicts that the response from individuals to a certain act will be more serious if certain attributions are made. With regards to internal motives, we have seen that, in the eyes of some participants, money was traded for values and the original clientele, which to some had been exploited from the very beginning. Additionally, alternative ways of being financed were presented, thus potentially increasing the control Oatly had over the situation. For other participants instead, the reasons provided by Oatly were credible and the decision was not perceived to diverge from the values of the company. For these consumers, Oatly's image has not deteriorated. Finally, we argued previously that external attribution could be made as to the necessity to grow in order to increase the reach of plant-based foods. Participants who presented these motivations did not react as negatively. Consequently, it is arguable that AT helps us understand the implications for the company's image following the investment from Blackstone.

4.2.2 Availability Steers Purchasing Intentions

The second theme concerns the implications in terms of purchasing intentions rather than the image in itself. It is interesting to know how certain attitudes towards Oatly's image automatically translates into changed purchasing intentions. A pattern emerging from the interviews was that some of the participants stopped consuming Oatly as a consequence of the investment decision. For these participants, the investment from Blackstone not only affected the image of the company but also their desirability of consuming the brand.

I don't currently give them my money. And I think the biggest thing that a consumer can do is just to stop buying from them (Participant 1).

Additionally, most participants have stated that Oatly's products are easily replaceable with substitutes, thus freeing them from the position of having to choose Oatly.

We're in a very lucky position nowadays, especially in the vegan community. If it happened 10 years ago, people would maybe turn a blind eye because it wasn't very much like out there, but nowadays, we're swimming in stuff, we can have whatever we want, so I think it's important that we speak with our money (Participant 1).

Despite this, for other participants, the investment decision did not affect their willingness to purchase Oatly. One participant mentioned that she was not consuming Oatly, but that it was for reasons other than the event considered in this paper.

For the time being, I'm not drinking Oatly but not for the reason mentioned before [referring to the investment] (Participant 7).

Another participant mentioned that she did not consume Oatly but that she started doing so as a sign of appreciation towards the company's decision.

I wasn't buying Oatly at that point for several months but I started buying Oatly again because I wanted to support them (Participant 6).

Furthermore, even though Oatly may have suffered a backlash in the eyes of some participants, some alternatives are considered to be even worse. Ergo, availability steers, meaning that if a better alternative to Oatly is not present, Oatly will be chosen.

Since that partnership, if there is an option where I can choose a different brand of oat milk over Oatly then I'll go for that. But if there's like, the option between cow's milk or almond milk or Oatly then I'll go for Oatly (Participant 4).

In the literature discussed previously, we have seen that the consequences stemming from the perceived ethicality of an act were ambiguous with regards to purchasing intentions. Sweetin et al. (2013) found that brands committing unethical acts incurred a higher probability of being punished, and Creyer and Ross (1997) obtained similar findings which manifested themselves through the lower price consumers were willing to pay. Despite this, they did not exclude the possibility for consumers to keep acquiring the specific products. From the interviews with some of the participants, we grasped a much stronger reluctance in purchasing Oatly. In fact, participants punished Oatly by not purchasing it, unless confronted with worse options or no options at all. On the other hand, Creyer and Ross (1997) also mentioned that the willingness to purchase a brand at a higher price increased if the company had done something perceived to be ethical. Only one participant stated that she started buying Oatly again as a sign of appreciation for the decision undertaken. For other participants, we did not grasp an increasing eagerness to consume Oatly's product or to be willing to pay a higher price. We believe that this approach is understandable from the fact that Oatly, in the eyes of these participants, did

not do something that was above the aforementioned reference point. Ergo, it acted in line with what was already being expected by these participants.

4.2.3 Word-of-mouth

Word-of-mouth is a practice consumers might engage in to recommend a brand or to undermine it through negative publicity. The difference between the first section, i.e. Oatly's image, and this section is that the former deals with the implications for consumers' perception of the company, while the latter focuses on the implications on consumers' behaviour and their potential to share their view of the reputation of the company, both in negative and positive ways. Apart from participants' initial social media comments, it is interesting to notice that none of the participants interviewed actually stated that they were going to engage with this practice following the particular event considered in this paper. Nonetheless, just because word-of-mouth did not emerge from the interviews, it is not an implication that should be excluded completely. One participant, who did not see the investment as problematic, suggested that if Oatly committed acts she perceived to be unethical, then it would have sparked a different behaviour from her.

I would change my Instagram handle and I would tell everyone to stop buying Oatly, just like I tell everyone now to stop buying dairy (Participant 6).

Comments retrieved from social media interactions suggest that word-of-mouth may still be considered for some disappointed consumers, as can be seen from Appendix C9.

Word-of-mouth was an implication discussed in PCT. In fact, we mentioned that Mehmood, Rashid, and Zaheer (2018) argued that a breach of a contract could lead to negative word-of-mouth. From our analysis, the implication of word-of-mouth was ambiguous. It did not arise in the analysis of our primary data, not even for those participants who reacted strongly to this event and perceived it as a betrayal. Nevertheless, it should be clarified that, even though engagement in word-of-mouth did not emerge during the interviews, it is likely that the participants may still do it.

4.3 Discussion of Findings

After having presented the themes, we are going to discuss how the findings interact with each other providing us with an encompassing picture of the problem investigated. In doing this, we are going to conclude how the theoretical framework has helped us making sense of the phenomenon analysed and reaching to the answers to our research questions. This process is represented by *Figure 3*, which visualises our understanding of the response following the controversial investment.

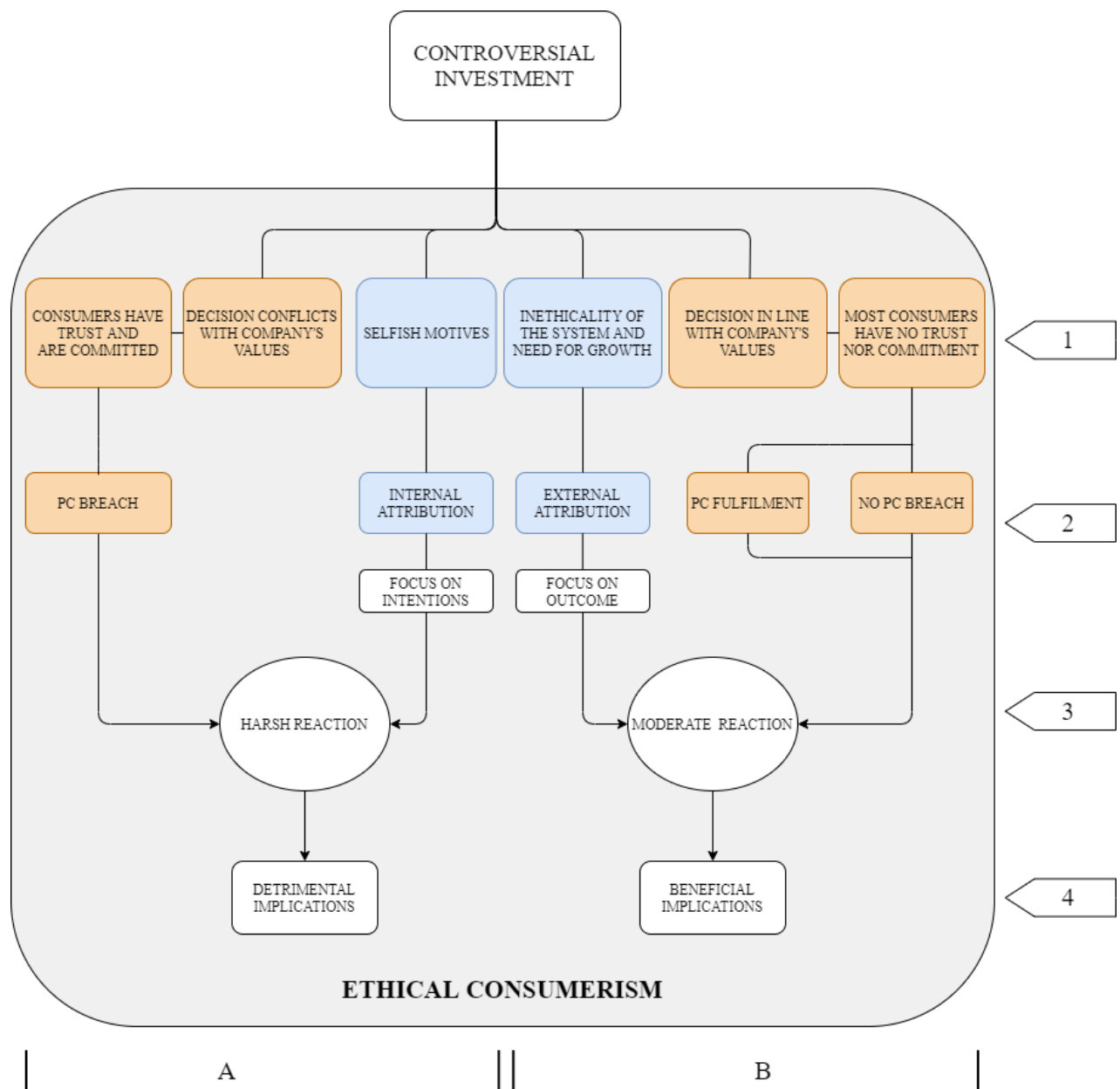


Figure 3 – Visual representation of main findings

The event to which consumers' responses are directed, namely the controversial investment, is presented at the top of the figure. The investment and the events following from it, are embedded in the context of ethical consumerism, which is represented by the light grey box including different levels. Level 1 represents patterns identified among consumers with regards to their relationship with the company and the perception of the event; level 2 represents the theories and how they help us making sense of consumers' responses; level 3, represents the reaction originating from the controversial investment; finally, level 4 represents the implications following the event. The blue boxes represent concepts related to PCT while the orange boxes represent concepts related to AT. We will now discuss how the different levels interconnect with each other, and how the theories, help us understand the reaction and the implications to the controversial investment.

As we have mentioned, the event happened in the realm of ethical consumerism, which we discussed entail the presence of conscious consumers whose interests manifest also in their consumption. We have mentioned in the analysis that Oatly's consumers are indeed conscious and researching the brand consumed seems to be a general pattern among the participants interviewed. Moreover, all participants seemed to have approached Oatly because of its reputation of being a sustainable company, also reflected in the products offered. Hence, we argue that this problem should not be understood without considering the context in which it occurs, namely ethical consumerism.

Starting from the left-hand side (A) of *Figure 3*, it is noticeable that participants perceived the decision of being financed by Blackstone to be in contrast with Oatly's values and what the company presented itself to be. These participants also had a clear position with regards to the trust and the commitment felt towards the company. PCT has provided valuable insights into how these factors may have been influencing the subsequent reaction and implications delineated in the other level of the figure. The consumers that displayed trust towards Oatly felt that it had been breached and undermined following the investment and that it had thus been lost or significantly reduced. This is not only consistent with the literature regarding psychological contracts in organisations but has also been suggested by studies examining psychological contract breaches in the consumer context.

Additionally, commitment towards the company can also be consequential in deciding how consumers react to a perceived company transgression. While some studies have found that brand commitment is in some cases advantageous to alleviate consumers' negative reactions, others have found that committed consumers react more strongly because of broken promises. Montgomery et al. (2018) explain this divergence by arguing that the reaction displayed by consumers depends on whether the transgression formed part of the psychological contract that the consumers had with the company. In the context of Oatly, we understood from the participants that did not support its decision that they had previously been in a committed relationship with the company. Following the line of argument by Montgomery et al. (2018), the reason for the reaction of these consumers may thus be that controversial investment decisions form part of their psychological contract with Oatly, and when breached therefore lead to the intense reactions observed.

Subsequently, AT has also been valuable in identifying the weight consumers put on internal or external attributions, and what these consisted of. As visible from the left-hand side (B) of *Figure 3*, some participants mentioned that the investment decision was motivated by the hope of increasing revenues. Hence, the internal motives could be perceived as selfish. Furthermore, participants claimed that Oatly did not have to grow and devoted more importance to the company being small. We would argue that for these participants, the context may not have played a significant role.

All the elements discussed above contributed to the harsh reactions displayed by consumers because of the controversial investment. Delving into the specific reaction, feelings displayed by all participants who have had a negative reaction is of particular interest in this regard because of their similarity with when a psychological contract is breached. The participants who reacted negatively have indeed displayed quite harsh feelings towards the event, that go well beyond disappointment. Because participants might have explicitly or implicitly perceived promises by Oatly, partly because of the image the company presented of itself, the reactions displayed can hence be understood because of the deeper emotions. It is reasonable to think that perceiving the event to have been driven by selfish motives did not contribute to alleviating the reactions; on the contrary, it could have exacerbated them.

Additionally, the consequences of the investment were not solely visible in the reaction but manifested themselves in other aspects as well. As can be seen from the left-hand side of level 4, there were detrimental implications from participants who did not agree with Oatly's decision

and displayed harsh reactions. These included, for instance, switching to alternative brands even though they stated that they had previously been relatively loyal to the company. We argue that this reaction is comparable with the reaction of increased turnover intentions displayed by employees when a psychological contract is breached by their employers. However, it is also different in that employees might not be able to switch to alternative jobs as easily as consumers could switch to an alternative product, particularly since oat milk alternatives have been largely increasing in recent years. Additionally, further detrimental implications consisted of a pessimistic image of the company because of perceived greed, hypocrisy, and dishonesty following the investment decision. One participant who discussed the concept of hypocrisy explicitly asserted that she would never again consume any of Oatly's products. This is in line with literature suggesting that psychological contract breaches fuelled by a sense of hypocrisy lead to harsher feeling and retaliation. The applicability is further strengthened when contrasted with other consumers who did not support Oatly either but maintained that they would indeed consume Oatly's products if there were no other alternative.

On the other side (B) of *Figure 3*, the situation is different, in the sense that participants did not feel the decision to be in contrast with Oatly's values and how it presents itself as a company and ultimately supported it. Despite this, as visible in level 1, these participants showed no trust before the investment and we were not able to identify an opposing increase in trust from these participants after the fact. Neither did we identify that the trust strengthened for the participant showing initial trust in the company, even though the literature suggests so.

Regarding commitment instead, participants who showed support towards Oatly's decision had highly diverging standpoints towards the company. One participant stated that she was not significantly committed to the company but still supported it. It becomes increasingly complicated to determine whether the investment was part of the psychological contract between the participant and Oatly. However, the same participant had shown strong negative reactions towards a similar event with another company. Additionally, the participant stated that it was difficult to trust Oatly indicating that it was not likely that high trust led to overlook the breach of the contract.

Nonetheless, other participants supporting Oatly's decision did not have any trust towards it but showed significant commitment. From our understanding and interpretation of the participant's response, the commitment was not towards Oatly itself but rather in a shift towards plant-based alternatives and harm reduction from companies in general. We thus interpreted Oatly to be

perceived in that relationship with the participant as a mere instrument towards a greater end, and therefore neither a psychological contract breach nor fulfilment was perceived. For these participants showing no trust nor commitment towards the company, we instead argue that it is possible that there was no psychological contract, to begin with. Trust is at the core of psychological contracts and if there is none, it becomes increasingly difficult for consumers to perceive that a promise has been made to them. This may be a possible interpretation of why these consumers did not react as harshly as the consumers displaying trust did.

This is also visible in the attributions these participants made. In fact, we interpreted from these participants the insecurity as to why Oatly decided to be part of the investment. That means that there was no complete trust that profit maximization was not the main driver behind the decision. Hence, we argue that selfish motives could still be contemplated by these participants, but internal attributions did not have a relevant influence on their decision-making process. It is reasonable to think that for these participants, and in this specific event, the outcomes of the decision were seen as more important than the actual intentions. In fact, external attributions were more prevalent among these consumers. The necessity for companies to grow, especially if sustainable, was mentioned along with the context in which Oatly exists, i.e., an unethical system in which many companies undertake similar decisions. It is reasonable to argue that the explanation of the event based on the context may have reduced the internal attributions made by consumers, in line with the discounting principle (Kelley and Michela, 1980).

For these participants, the reactions have been more moderate, and the investment was not perceived negatively. Psychological contract fulfilment may be valuable in understanding only some of the reactions displayed by the consumers which supported Oatly. As previously discussed, scholars suggest that when a psychological contract is merely fulfilled, the feelings produced are less intense compared to when it is breached. This result falls in line with the arguments made by Conway, Guest, and Trenberth (2011) who suggested that a psychological contract fulfilment was more likely to preserve the relationship while the effects on the reaction from the individual being relatively dampened compared to participants disagreeing with the investment decision. Some of the literature reviewed suggested that in the organisational context, commitment and trust could increase but it is not something we have observed in this instance.

Beneficial implications followed the investment with regards to these participants. They did not switch to alternatives because of the investment and some of them stated that they instead

became a consumer after hearing about the event to show their support for the company. Additionally, these participants had an enhanced view of the company and appreciated that it seemed to be in line with the values it had portrayed. This perception is similar across all participants supporting the company.

To summarise, PCT and AT have been relatively helpful in understanding the reactions displayed by the participants, particularly for the people not agreeing with Oatly. Even though the less intense feelings that psychological contract fulfilment suggests is in line with the participants supporting Oatly, some of the reactions suggested by scholars, or our interpreted equivalents in the consumer context, were not identifiable in this event.

5 Conclusions

In this final chapter, we discuss how our study has developed in relation to our research questions and the aims and objectives we initially set. Additionally, we summarise our findings and present suggestions for future research based on some of the limitations of this study.

5.1 Addressing the Research Questions

This paper aspired to understand the response of Oatly's consumers following the investment from Blackstone. Environmental issues have been of increasing importance to ethical consumers and the reactions displayed by them were varied. Additionally, our research intended to understand the implications for the relationship between said consumers and the company. Previous research had shown varying results on what the implications are for consumers following what they perceive to be a company misconduct.

For this purpose, we used PCT and AT to inform our research. With an abductive approach, we analysed these theories in contexts in which they have been limitedly applied, to perceive how the theories contributed to understanding the research problem investigated.

Additionally, we conducted semi-structured interviews with several people who had been consumers of Oatly at the time of the event. The research participants had shown varied reactions on social media and some of them supported Oatly in its investment decision while some of them did not. Through these interviews, we gained deeper insights into consumers' perceptions and attributions. Because of the controversy, the investment sparked we choose to additionally analyse social media comments from other consumers.

Lastly, through a thematic analysis of the data, we identified relevant themes within the interviews which allowed us to answer the research questions about consumers' reactions and the implications for their relationship with Oatly. The themes were contrasted with the theories but also allowed us to gain new insights into how the theories could be applied in the new context.

5.2 Summary of Findings

Through our analysis, the main themes we identified through the interviews and social media posts which helped us understand consumers' reaction were consumers' perception of the investment, emotional responses, the weight of being Oatly, the role of communication, Oatly's consumers, and the size of the company. The difference and similarities between research participants supporting and not supporting Oatly's decision were sometimes relatively clear-cut but other times quite blurred because of the many nuances that the interview answers provided.

Through these themes, we understood that whether consumers perceived the investment to be necessary helped consumers decide on whether to support the investment decision or not. If the investment was seen as necessary concerning Oatly's overall goals, participants were more inclined to support the company in its endeavour. In contrast, if the investment was perceived to be an unnecessary and avoidable decision in building sustainability, consumers were more inclined to react negatively to the event and thus not supporting Oatly. Additionally, whether the investment decision was seen as being in line with Oatly's values was also identified to be important for the participants. Most participants that perceived the investment decision to conflict with the company's values did not support the company's decision. Participants supporting the investment were more prone to have believed that the company was instead able to further fulfil its values in the process. It is noteworthy to mention that some participants argued that investments in a company are not a major priority when assessing the ethicality of it.

We also identified that participants who did not agree with the investment and saw it as something negative displayed noticeably stronger emotions compared to participants supporting it, who sometimes even displayed feelings of indifference. Furthermore, the reactions of the participants could also be understood by how Oatly had displayed itself and the values it portrayed. Had it not done so, its consumers would arguably not have reacted with the same intensity; presenting yourself as an ethical company thus comes with its downsides. Participants not supporting Oatly particularly seemed to have developed trust towards the company and what it had marketed and reacted accordingly when they felt it had done the opposite. Among participants supporting Oatly, trust was highly diverging, and most participants had little to no trust. This indicated to us that they did not have the same

expectations from Oatly and thus had less to lose from potential misconduct. We understood that Oatly was seen as an instrument for a greater cause since they were not as committed to Oatly itself.

Furthermore, how Oatly communicated following the investment played a crucial role in how its consumers reacted. We understood from some of the participants that Oatly's communication, responses on social media, and press releases were consequential in their support for the company. Participants not supporting Oatly instead perceived the communication to be reactive and was not enough to change their perception. Two other themes emerged from the analysis of the interviews that were important to understanding consumers' reaction. Firstly, Oatly's consumers displayed particular features as those held by conscious consumers. Ethical consumers are more vigilant of the companies they support and seek out more information relative to the average consumers to assess the ethicality of businesses. Additionally, the perception of the participants on the size of the company also helped determine their reaction. Some of the participants not supporting Oatly stated that they prefer to support smaller local companies and did not agree with Oatly's decision to receive the investment to expand globally. Participants supporting the decision understood the investment choice and acknowledged the need for the company to expand its operations.

Regarding the implications for Oatly and its consumers the themes we identified were Oatly's image, availability steers purchasing intentions, and word-of-mouth. The view participants had of Oatly following the investment was varied. Most participants with negative reactions to the event which did not support the company anymore had previously had a positive view of Oatly and considered it ethical and sustainable. After the fact, they perceived Oatly to be greedy and claimed that its focus had shifted from environmental benefit towards financial profit. Some consumers which supported Oatly in the decision stated that their view of Oatly had remained the same, others claimed that their perception of the company had instead improved because of their ethical consistency and sustainable efforts.

Furthermore, we identified more practical implications. From the consumers not agreeing with the investment, we understood that because there are numerous alternatives to Oatly available, their purchasing intentions shifted with more ease. We discussed previously how ethical consumerism is sometimes referred to as voting with money, and participants indeed asserted that ceasing to give money to Oatly was their best option of expressing their opinions because of their increased purchasing power. For other participants, who supported Oatly, the

willingness to consume Oatly's products had instead increased and argued that they wanted to show their support for the company. Lastly, the theme of word-of-mouth was identified from our analysis. Participants did not explicitly state that they had engaged in any negative word-of-mouth, but some stated that under other circumstances, they would have stopped recommending Oatly's products to others. It was however something we identified in several social media comments, as well. Nonetheless, we understood from a participant supporting Oatly that they were still happy to recommend Oatly's products to others.

5.3 Theoretical and Practical Contributions

We have contributed to the theories by applying them to a context for which they were not originally intended. Regarding PCT, we believe that the subjective nature of the contract is as present as it is in the organisational context. For instance, consumers do not appear to all have the same psychological contract among themselves, but individual consumers also seem to have different psychological contracts with different companies.

Subsequently, the extant PCT literature suggest that trust is negatively related to psychological contract breach. Our findings are contrasting to this and suggest that this might not always be the case, at least not in the consumer context. Consumers with more trust seemed more inclined to perceive a breach and the following intense reactions compared to consumers showing low trust with moderate reactions. We have also noticed that most reactions are in line with PCT, but our findings suggest that consumers showing an understanding towards the investment do not display an increase in trust as suggested by the literature. This indicates that the investment might not form part of the psychological contract for these consumers. Moreover, since participants stated that they did not have much trust to begin with, it could then be questioned whether a psychological contract existed in the first place since it is unlikely that consumers with low trust in a company perceive promises to have been made to them.

Additionally, our findings suggest that communication plays an ambivalent role in attenuating the reactions of consumers. PCT proposes that communication and information towards employees lead to less pushback and milder reactions. Our study instead suggests that it can be a double-edged sword. While it can alleviate some of the reactions, it can also intensify negative reactions if consumers perceive hypocrisy or dishonesty. Moreover, it might attract the attention

of consumers who were not initially aware of the event, and this could also prove either beneficial or harmful.

This study has also shown that there are some analogies when applying PCT in the consumer context compared to the employee context. While psychological contract breach may result in an increased desire of the employee to switch jobs, we have found that consumer's perceiving a breach are more prone to switching to alternative brands. As previously noted, it is arguable that consumers have more purchasing power compared to the power employees might have towards their employer. Furthermore, a psychological contract fulfilment does not entail the same type of improvement of the company view as has been observed in our research.

Regarding AT, our study suggests that even though internal attributions may be perceived similarly by consumers, the consequent behaviour differs. In fact, in some cases, internal attributions are disregarded, favouring the outcome of an action over the intentions behind it. Moreover, it is interesting to notice that internal and external attributions may interact. In other words, consumers may be influenced by both attributions but the prevailing one will steer the consequent behaviour. Hence, the discounting principle seems to be applicable to this specific case. Despite this, we argue that it is difficult to know whether consumers actually reduce the importance of dispositional attributions and whether the latter was actually less considered than the context. It could be speculated that the importance of moving towards plant-based alternatives, rather than the context, may shadow the importance of the internal motives.

With regards to the practical implications, the increasing empowerment of consumers and their purchasing power is something businesses should pay close attention to when receiving investments. This study has shown that this applies in particular for businesses perceived to be ethical since their behaviours and actions are placed under greater scrutiny relative to other companies. However, there are several ways in which businesses can try to alleviate the negative reactions from their consumers when receiving a controversial investment.

Businesses could pursue to remain consistent with the values they portray towards their consumers. Many consumers can be committed and can put a lot of trust in what companies tell them. When they feel that they have been betrayed, it can provoke strong reactions. This study has shown that ethical consistency is highly appreciated by consumers. Nevertheless, businesses should also be aware of the potential disadvantages of portraying themselves as

ethical and sustainable since they seem to be placed under stricter standards and further scrutinised.

Additionally, the communication towards consumers from a business before and after receiving controversial investments can be crucial in attenuating negative reactions. Consumers seem to react negatively to communication seen as reactive and additionally might determine their response depending on the subsequent communication from the company. Therefore, businesses should focus on maintaining clear and consistent communication with their consumers and particularly when there is an imminent investment from which the company knows beforehand could be controversial.

5.4 Limitations and Suggestions for Future Research

This study has several limitations which could be addressed in future research. Firstly, our research has inherently had theoretical limitations. The concept of a psychological contract inherently involves two parties, by analysing both perspectives, i.e., consumers and the company, the application could be further extended, and the theory might prove itself to become applicable concerning concepts such as mutuality. Other theories could inform future research and help analyse consumers' reactions and bring other nuances to light. Theories of particular interest could be response factor and fairness theory, which suggest that events like the one presented in this paper could provoke “could, should, and would counterfactuals” towards the accountable party to compare the ethicality and alternative decisions of the company (Dean, 2004, p. 196)

Additionally, Oatly may be an isolated case. To understand whether the theories could help in understanding other contexts as well, other similar events where a company has received a controversial investment and caused strong reactions could be analysed to identify whether consumers attribute similar motives and reasons to the events and whether psychological contract theory can be used to understand the responses.

Another direction for future studies could build upon the seemingly complex relationship between trust and commitment identified in this paper. Trust and commitment had in this study an important, albeit contradicting role at times in determining consumers' reactions. While one could argue that a committed relationship involves trust, we understood from the participants

that this need not be the case. Future research on how these interplay could broaden the perspective on whether they have a clear-cut effect on psychological contracts between consumers and companies in these contexts.

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Appendix A – Oatly’s Marketing



Appendix A1: Oatly’s marketing – Ditch Milk (Oatly, n.d. d)

**It’s like milk
but made
for humans.**

Appendix A2: Oatly’s marketing – It’s like milk but made for humans (Oatly, n.d. e)

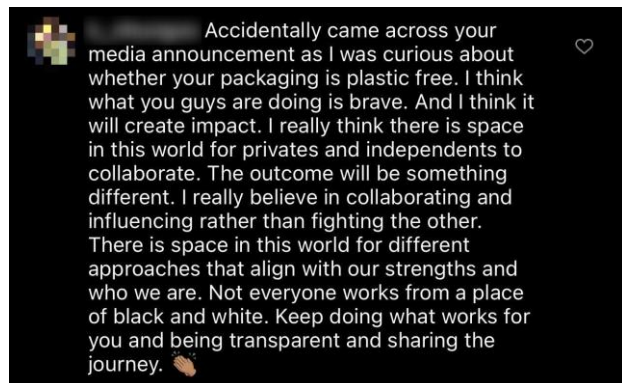
Appendix B – Interview Questions

- 1) Could you briefly explain what you generally look for when you purchase a brand?
- 2) How did you first discover Oatly?
- 3) Why do/did you consume Oatly?
- 4) How would you describe Oatly as a company?
- 5) How would you describe your relationship with Oatly?
 - a) How is your trust towards the company?
- 6) Do you think Oatly has a responsibility towards its consumers? Why or why not?
- 7) What do you think about Oatly's decision of being financed by Blackstone?
 - a) Why do you think Oatly decided to make this investment decision?
 - b) Do you think it was unavoidable? Why or why not?
- 8) How did you react to this news?
 - a) How did you feel?
- 9) How has it affected your relationship with Oatly?
- 10) How has your view of Oatly changed?
- 11) How do you think Oatly expected its customers to react? Why?
- 12) What do you think about Oatly's response to the controversy?
- 13) Do you think it will affect your general buying decisions in the future? Why?
- 14) How would your reaction change if Blackstone's investment was towards another brand you consume?
 - a) Why did specifically Oatly receive such backlash?
- 15) Are you aware of any other kind of similar event which has led to controversy?
 - a) How did you react then?
- 16) What do you think the future holds for Oatly?

Appendix C – Social Media Interactions



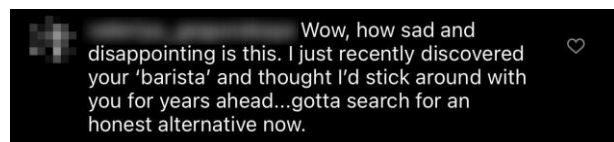
Appendix C1 – Instagram comment on Oatly’s post from 3 September 2020



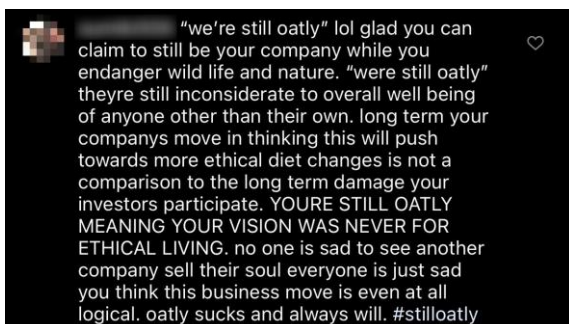
Appendix C2 – Instagram comment on Oatly’s post from 3 September 2020



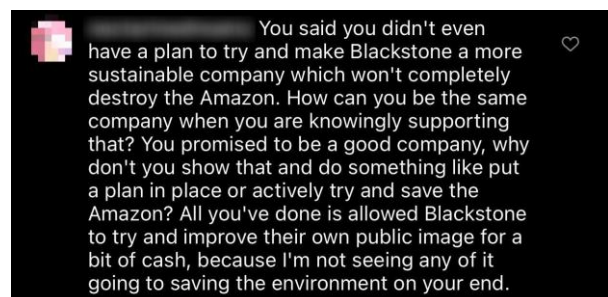
Appendix C3 – Instagram comment on Oatly’s post from 3 September 2020



Appendix C4 – Instagram comment on Oatly’s post from 3 September 2020



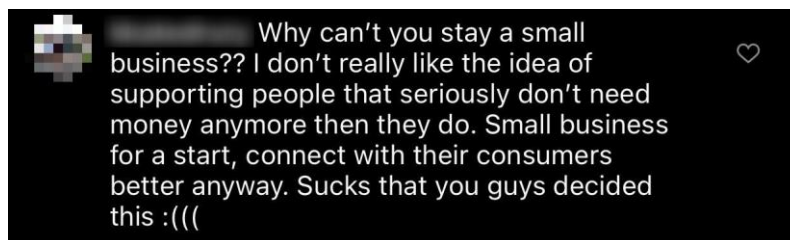
Appendix C5 – Instagram comment on Oatly’s post from 3 September 2020



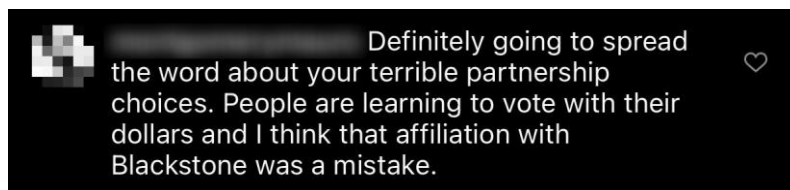
Appendix C6 – Instagram comment on Oatly’s post from 3 September 2020



Appendix C7 – Instagram comment on Oatly’s post from 3 September 2020



Appendix C8 – Instagram comment on Oatly’s post from 3 September 2020



Appendix C9 – Instagram comment on Oatly’s post from 3 September 2020