

## **Student views on corporate social responsibility in an Australian fast food context.**

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### **Abstract**

Socially responsible corporations are obligated to minimise their negative impact on society. This paper considers first-year student viewpoints regarding social responsibility in the fast food marketing context in Australia. Three hundred and sixty four essays addressing the topic "Are marketers responsible for rising levels of obesity?" were content analysed.

Student views varied considerably suggesting that corporate social responsibility will continue to be a controversial issue. Three-quarters of students believed that marketers were responsible, either wholly or in part, for rising obesity levels. While students noted that governments, society and individuals share responsibility, the current practices employed by fast food marketers were generally viewed by students as irresponsible.

### **Introduction**

Accreditation of business degree programs by bodies such as the AACSB requires that Universities include learning experiences in key management-specific knowledge areas. One management-specific knowledge area required for AACSB accreditation is that students receive learning experiences in 'ethical and legal responsibilities in organizations and society.' The marketing profession tends to focus on the products and financial success at times to the detriment of society. In Australia the fast food industry provides a suitable focus for students to learn about ethical and legal responsibilities for organisations.

First-year marketing students were asked to submit a 1,400 word essay in response to the question "Are fast food marketers responsible for rising obesity?" Student viewpoints are collated and reasons for their points of view are presented in this paper. This paper starts by briefly reviewing the literature on corporate social responsibility and then continues by providing some background on the fast food context that students were asked to consider. The methodological technique used in this paper, namely content analysis, is briefly detailed before the results are presented and discussed.

### **Literature Review**

Corporate Social Responsibility (CSR) is the commitment of an organisation to behave in an ethical and responsible manner, to 'minimise the negative impacts and maximise the positive impacts' (Maignan, Ferrell & Ferrell 2005) on issues important to stakeholders (Maignan et al. 2005; Moir 2001). While some researchers (Brown & Dacin 1997; Kotler & Lee 2005) define CSR in respect to the general community or society, other researchers (Craig Smith 2003; Maignan & Ferrell 2004) restrict their audience for CSR to corporate stakeholders, including affected local communities. However, there is substantial agreement that CSR is concerned with societal obligations, although the nature and scope of these obligations remains uncertain (Craig Smith 2003).

While there is little doubt that corporate social responsibility is an important component of businesses leading to customer loyalty, increased profits (Luo and Bhattacharya, 2006) and improved corporate reputation (Maignan et al. 2005) it remains a controversial issue. While some have put forward the idea that marketers need to be socially responsible, the success of marketers is measured using financial criteria including sales, profits or market share goals (Sirgy & Lee 1996). As noted by Blythe (2006), societal marketing is a lovely idea but one which might be difficult to push through at a board meeting. If products are potentially harmful to consumers, a sole focus on short-term financial objectives to the detriment of the long-term welfare of customers may be short-sighted.

### **The case of fast food in Australia**

While the influence of myriad factors, including increasing sedentary lifestyles, on obesity is acknowledged by some researchers (Oddy et al, 2004; Lowell, 2004) some argue that rising obesity can also be linked to the fast food industry. For example, Bowman et al. (2004) indicates that between 1972 and 1995 the number of fast food restaurants doubled and today the energy derived from fast food is 10% of a child's average recommended daily intake, 5 times more than the 1970's. According to Lowell (2004), 18% of Australia's adult population is obese and obesity currently costs Australia \$21 billion. If current trends continue and forecasts are correct three-quarters of today's teenagers will be overweight or obese by the time they turn 40 (McAuliffe, 2003).

Given that socially responsible organisations should seek 'minimise their negative impacts and maximise their positive impacts' the fast food industry provides an important context in which to debate the issue of corporate social responsibility. As today's students are our future marketers and managers, we need to understand student views in order to inform teaching practice. This paper contributes to the literature by considering students viewpoints in relation to the question 'Are fast food marketers to be responsible for rising obesity?'

### **Method**

#### **Sample**

The present study's primary objective was to analyze student perceptions. Students were provided with two essay topics. Essays responding to the question "Are fast food marketers responsible for obesity?" are analysed here. A total of 660 students were enrolled in Introduction to Marketing course and 600 essays were submitted. A total of 364 viewpoints were derived from the 368 essays addressing the fast food marketing responsibility topic. Four viewpoints could not clearly be determined.

#### **Data analysis**

Content analysis was selected as the method for this research. Content analysis is an unobtrusive research technique that allows objective, systematic, and quantitative description of human communications (Babbie, 2004) to be obtained. Conceptual analysis was undertaken to establish the existence and frequency of opinions in the text. Specifically, essays were coded to identify one of three different points of view, namely students could

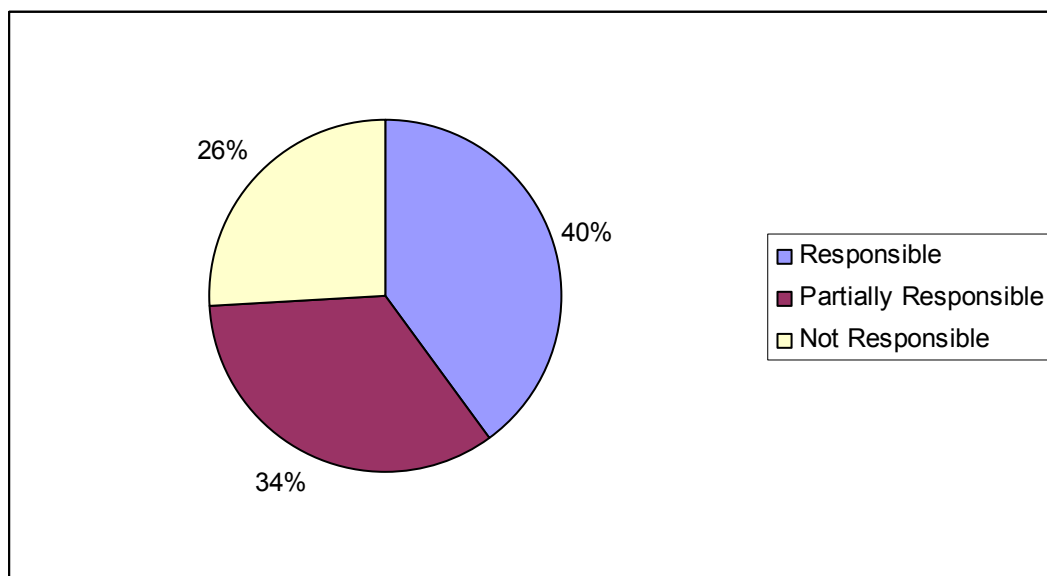
argue that fast food marketers 1) were responsible, 2) were partially responsible or 3) that fast food marketers are not responsible for obesity.

## Results

Using the academic literature as a basis to support their point of view students considered whether marketers are responsible for rising obesity. Students considered legal responsibilities with some students referring to the failed US lawsuit against McDonalds, a leading fast food marketer. Students considered other responsible parties including consumers, the government and society and the roles they played in the responsibility debate.

Essays were coded to identify student views. Student views varied considerably in response to the essay question are fast food marketers responsible and viewpoints are summarised in Figure 1.

**Figure 1: Fast food marketers are ..... for obesity (n=364).**



Student opinions were divided with 40% of students believing that marketers are responsible for obesity. One-quarter of students believed that marketers are not responsible and finally one-third of students believed that marketers were partially responsible for obesity. Students who felt that marketers were partially responsible indicated that the responsibility for rising levels of obesity in society should be shared with parents (in the case of children), governments, individuals and society as a whole.

Students arguing that marketers are not responsible argued that responsibility for rising levels of obesity lies with the individuals choosing to purchase and consume fast foods. As noted by one student "You can lead a horse to water but you can't make it drink." Students choosing this point of view noted that while marketers can persuade and inform they can only influence decisions and that it is the customer who makes the decision to drive to a fast food restaurant, to purchase, and consume a fast food meal. Additionally, students adopting this point of view noted that fast food consumption alone does not lead to obesity rather exceeding recommended daily food intakes in the absence of exercise is a primary cause of obesity.

Again, these students argued that it is the consumer who chooses how much food they eat and how much exercise they do.

The majority of students believed that marketers are responsible for rising obesity levels. The issues considered by these students suggested the issue is both complex and controversial. Some students argued that marketers were partially responsible while others simply argued that marketers were responsible for rising obesity. Students challenged a range of tactics targeting vulnerable groups, employed by fast food marketers including advertising in children's viewing times and making fast food fun, referred to by Roberts (2005) as 'eatertainment'. Mis-information (e.g. healthy options for fast food companies) was also commented upon suggesting recent communication messages employed by one fast-food marketer can contribute to the problem. Students noted that public awareness of product contents is needed and that marketing campaigns need to remain responsible for the information portrayed to help consumers make an informed choice.

Students commented that fast food marketers were simply offering food that is low in nutritional value and high in fat, sugar and salt. One student commented 'fast food marketers have successfully normalised unhealthy foods into everyday lives'. Student views suggested that marketers were responsible because they were offering these products for sale and encouraging people to buy these foods. Some student's believing that marketers are responsible for rising obesity levels indicated that marketers are hiding behind lifestyle factors including decreasing levels of physical activity, increased use of technology and workforce changes resulting in a consumer focus on time saving in a time constrained world. As noted by one student it is easy for fast food marketers to blame lack of exercise for rising obesity.

### **Implications for theory**

Student views reflect the mixed views in the literature where the nature and scope of corporate social responsibility continues to be debated. Consider some authors (e.g. Carroll 1979; Mascarenhas 1995) who argue that in addition to economic, legal and ethical responsibilities, companies are responsible to society as whole. Their views contrast with other authors (e.g. Lantos 2001) who argue that companies must be economically, legally and ethically responsible but not philanthropically responsible. Consistent with the mixed views in the literature more than one-quarter of student's felt that fast food marketers were not responsible for rising obesity levels.

As stated previously, there is little doubt that corporate social responsibility is an important component of businesses leading to customer loyalty, support from stakeholders and improved corporate reputations (Maignan, Ferrell and Ferrell 2005). Indeed, there is evidence to suggest that Corporate Social Responsibility (CSR) contributes positively to market value, partially through customer satisfaction. For example, Luo and Bhattacharya (2006) calculated that, for a typical company in their sample with an average market value of \$48 billion, a one unit increase in CSR ratings resulted in approximately \$17 million more profits on average in subsequent years. Given that being socially responsible improves corporate financial performance it is time for researchers to move beyond debating the nature and scope of corporate social responsibility. A consistent point of view in the literature will ensure that future managers and marketers consider not only the economic impact of their actions but the broader impacts such as the impact on the environment and society as this broader consideration will improve financial performance for which they will be rewarded.

## **Implications for practice**

The student views analysed in this study have implication for teaching practice. Educators need to communicate a more current understanding of corporate social responsibility. For example, in addition to considering the types, nature and degree of corporate social responsibility educators need to spell out the economic advantages gained by companies who are considered socially responsible.

Given our current understanding that being socially responsible contributes to a companies bottom line the views reported in this paper suggest that fast food marketers should implement further initiatives. Research and development initiatives directed towards lowering the calorie content of fast food, continued efforts to improve fast food menus, and efforts directed towards educating consumers, are all warranted.

## **Conclusions**

This research contributes to the literature in two main ways. Firstly, this paper illustrates that while the majority of today's undergraduate students and tomorrow's managers contend that marketers of fast food contribute (in part) to rising obesity levels more than one-quarter feel that marketers are not responsible for rising obesity levels. Practices considered irresponsible by students included communication tactics that target vulnerable groups or deceive and the offering of food that is both low in nutritional value and high in fats, salt and sugars. A continued mixed view in the academic literature will contribute towards continued irresponsible marketing practice. This paper also contributes to the literature by illustrating an alternate data collection method that can be used to collect student views.

Some student viewpoints suggest that corporate social responsibility obligations must extend to the consumers of fast food products on the basis that excessive use of the product can be harmful to health. Today, one in five Australian adults is classified as obese and a consumer segment of interest for corporate social responsibility researchers is emerging. Children whose own parents are obese are not likely to be sufficiently aware of the damage that can be caused by excessive food consumption. This group of consumers is forecast to continue to grow. If current trends continue and forecasts are correct three-quarters of today's teenagers will be overweight or obese by the time they turn 40. In future, corporate social responsibility research will need to monitor consumer knowledge or the degree to which consumers are adequately informed about fast food. An assessment of consumer knowledge will be needed to assess corporate social responsibility or the degree to which a company is minimising its impact on society.

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