



## **CSR and Consumers' Expectations towards it – A Marketing Perspective**

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**Abstract:** This review article aims to develop an integrating overview of the present status of the theory and research of the individuals' expectations of corporate social responsibility (CSR). Given the veritable explosion of CSR research during the recent years, there is a genuine need for the field to take stock of what has been learned so far and what that implies in terms of consumers expectations and where researchers should be headed. In order to clarify the concept of consumer's expectations we analysed books and articles in leading economic journals. In the last years, expectations towards CSR have been increasing and, with this, the demand of having businesses behaves in a socially responsible manner. The main implications are the potential for adopting and incorporating CSR in the marketing and communications strategy of the company. In the paper, different theories are promoted, definitions and researches concerning the present status of the corporate social responsibility (CSR) and the individuals' expectations towards it, enriching the literature from this field of study.

**Keywords:** consumer behaviour; consumer expectations; CSR

### **1 Introduction**

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In the last years, expectations towards CSR have been increasing and, with this, the demand that companies behave in a socially responsible manner.

In order to speak about the consumer's expectations towards CSR it is necessary to clarify the CSR concept and because of this we split the article in two main parts: one part concerning the concept of corporate social responsibility (CSR) and one part regarding the definitions and prior research of the consumers' expectations towards CSR.

Though corporate social responsibility (CSR) is a contested and always evolving concept, in the past years it has become more and more important. This importance is also reflected in the public relations and marketing literature (Kotler & Lee, 2005; Maignan & O.C Farrell, 2005).

Different research studies have focused on clarifying and developing the concept, but also on attitudes and reactions to CSR (Sen & Bhattacharya, 2001).

Although professionals from this field have talked about business social behavior, there have been few studies regarding the customer's expectations towards the contribution of CSR on the contractors' behavior (Mohr, Webb, & Harris, 2001).

Answers to questions such as how CSR initiatives would influence the consumer's attitude still remain only partly answered. Still, the number of discussions about the relationship between CSR initiatives and the positive results has increased in the past years.

Other authors (Creyer & Ross., 1997, Sen & Bhattacharya, 2001) have stated that among the consumers' and the public's answers, regarding the corporations' behavior, there have been

expectations for CSR. Research has shown that consumers sometimes have expectations about the corporations' ethical behavior (Creyer & Ross., 1997)

Stakeholders expect the organization to be trustworthy, to act responsibly, in an ethical manner, according to the law. They may also expect the company to be transparent and to answer to their needs.

## 2 Corporate Social Responsibility

Definitions of corporate social responsibility (CSR) have first appeared in USA in the 1950`s (Carroll, 1991). During the following years, efforts have been made to clarify and develop this concept. The first definitions focused on the connection between `business responsibility` and `business power`. By the 1980`s the focus shifted from developing new definitions to further research on CSR and its dimensions. All these definitions have in common the idea of the stakeholder expectations and social preoccupation. The basic idea is that no company can afford to act against society (Matten & Moon, 2005).

The concept refers to a multitude of issues for which a business can be responsible. Some examples of social responsibility are the concern for employees` wellbeing and their safety at work, reducing negative impacts on the environment, producing goods that that meet the qualitative standards and the concern for human rights and cultural diversity in poor countries where the companies are operating.

In Kotler & Lee`s book (Kotler & Lee, 2005) "corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources".

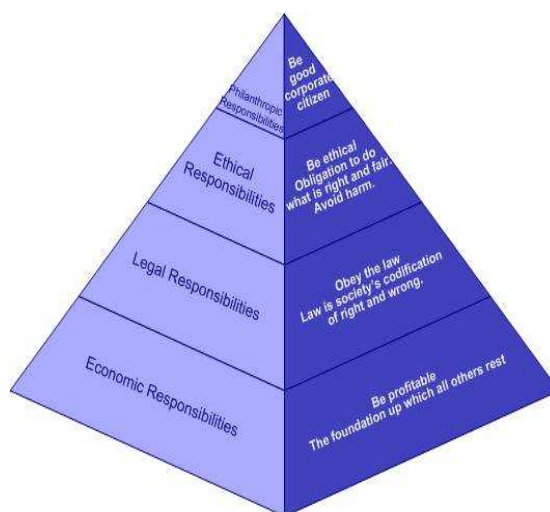
The same authors consider that "corporate social initiatives are major activities undertaken by a corporation to support social causes and to fulfil commitments to corporate social responsibility".

**Table 1** - Corporate Social Initiatives

Marketing Related Social Initiatives	Non- Marketing Related Social Initiatives
✓ Cause Promotions	✓ Corporate Philanthropy
✓ Cause- Related Marketing	✓ Employee Volunteering in the Community
✓ Corporate Social Marketing	✓ Social Responsibly Business

Source: Kotler and Lee 2005

Carroll (1979) defined CSR based on normative arguments and suggested that a company has to fulfil four main responsibilities. Hence, the definition encompasses "the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time" (Carroll, 1979, p. 500).



Carroll's CSR Pyramid

**Figure 1** Carroll`s model of CSR

In the model proposed by Carroll (1979, 1991), the definition of the corporate social performance should comprise three articulated and interrelated aspects: a basic definition of the total social responsibilities of a company, an enumeration of the issues for which a social responsibility exists, and a specification of the philosophy of corporate response to social pressures (“social responsiveness”).

Considering the first mentioned aspect, an exhaustive definition of corporate social responsibility should emphasize the whole range of social obligations a business has towards society: economic, legal, ethical and philanthropic (discretionary) responsibilities. These four types of social responsibilities form the concept of corporate social responsibility (CSR) in the vision of Carroll, and they should be analyzed together.

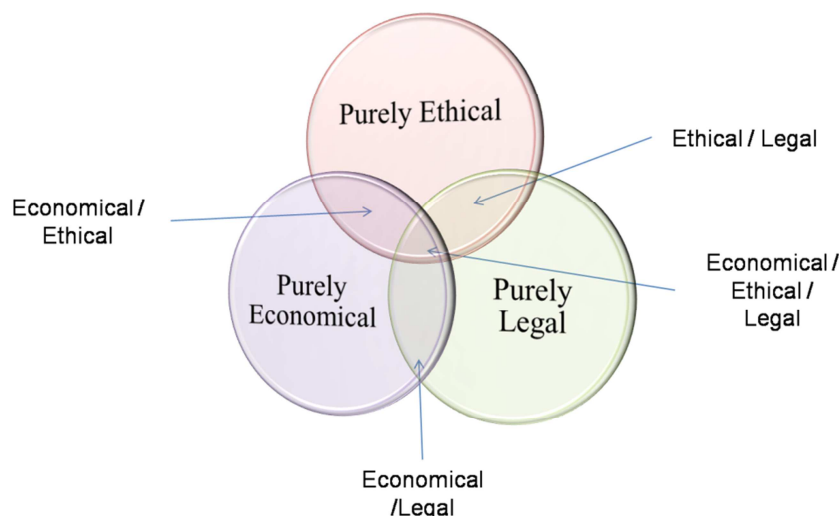
According to Carroll (1979, 1991), the corporate social responsibility is more than complying with economic and legal obligations; it also includes ethical and philanthropic responsibilities as another two dimensions.

Carroll’s model has two weak points. One of the weaknesses is related to the voluntary aspect of corporate social responsibility. Some CSR scholars consider that mandatory aspects should not be part of CSR.

Davis (1960) stated that “social responsibility begins where the law ends”. The second weakness refers to the legitimacy of the discretionary dimension of the CSR model. Supporters of neo-liberal theory were especially concerned in questioning the extent to which businesses should be involved in the community (e.g. Friedman, 1970; Carr ,1968).

It is important to underline that even though the four components of the pyramid have been described separately and they might seem independent, in fact they are related (Carroll, 1989; 1998). The total concept of CSR entails the simultaneous fulfilment of the business’s legal, ethical economic and philanthropic responsibilities (Carroll, 1991), and there is a frequent tension for business executives especially between the economic and legal, the economic and ethical, and the economic and philanthropic responsibilities (Carroll, 1991; 1998).

Because of the CSR, Schwartz & Carroll (Schwartz & Carroll, 2003) decided to modify and improve the pyramid’s acceptance and impact, so they created a Venn diagram (Figure 2) which consists of the economical, legal and ethical domains, treating the philanthropic category separately.



**Figure 2** The three CSR domain model (Schwartz and Carroll, 2003)

The limitations that carried out to this new model are:

a) the pyramid framework suggested a hierarchy of the CSR domain, so we may come to the conclusion that the philanthropic responsibilities, which is the domain at the top of the pyramid, is the most important one, so that corporations should focus on that one, while the economic domain which is situated at the base of the pyramid is the least valued CSR domain (Carroll surely didn't intend that, asserting the contrary in the text);

b) the overlapping nature of the CSR domains cannot be captured by a pyramid framework. The Venn framework yields seven CSR categories resulting from the overlap of the three core domains (Schwartz & Carroll, 2003).

### 3 Consumers` Expectations towards CSR

Parasuraman and Berry (1988) defined expectations as consumers' desires or wants based on what they feel a company should do rather than what a company would do.

In addition, Creyer and Ross (1997) argued that expectations, beliefs about what is anticipated, have been shown to play an important role in consumers' decisions.

Dawkins and Lewis (2003) observed that in the last decade CSR, issues became a dominant driver of public opinion. These issues are defined by the stakeholder expectations, which represent the minimum level of corporate responsibility or the minimum to which companies are expected to conform (Monsen, 1972)

Consumer expectations are known to motivate marketers to incorporate social considerations into their marketing practices and to communicate about these actions (Golob, Lah, & Jancic, 2008).

Dawkins and Lewis (2003) have discovered that for the consumer, the most important CSR factors have to do with the way employees are being treated, being involved in the community related matters, as well as ethical end environmental issues.

According to Carroll's classification (1979), these factors are related only to the CSR's legal, ethical and philanthropical dimensions. Moreover, both researches (Aupperle et al., 1985; Maignan, 2001), which have used Carroll's classification (1979), came to the conclusion that the economic dimension of the CSR was directly related to the other three.

Consumers tend to incorporate their expectations and their concerns into their behavior towards the companies (Klein, Smith, & John, 2002; Maignan et al., 2005). The consumer's expectations regarding CSR actions have an impact on their behavior towards the companies (Creyer & Ross, 1997; Nebenzahl, Jaffe, & Kavak, 2001).

More than that, the reactions of the individuals depend on the congruency between expectations and the company's actions (Dawkins & Lewis, 2003; Hallahan, 2001). Many consumers are ready to put pressure on companies through boycotts, in order to convince them to be more socially responsible. The CSR expectations act as a benchmark for the intention to purchase the company's products (Creyer & Ross, 1997)

Golob, Lah and Jancic's article approaches an interesting subject regarding the consumer's expectations, which motivates companies to integrate CSR into their marketing strategy and to communicate this fact. The paper goes beyond the consumers' expectations and answers, researching the change in the consumers' value system and the way this system affects the expectations and answers regarding CSR. Moreover, studies regarding consumers' expectations of social responsibility communication are rare. The results of the study show that consumers' expectations are generally high when it comes to CSR, a fact that is also highlighted by Carroll (1979) and other authors. Expectations are influenced by motivation and situational involvement. This has been observed in a study conducted among the Slovenian consumers, with results that assert the need for marketers to incorporate CSR in their marketing and communication strategies.

These days, the stakeholders' expectations are becoming higher not only when it comes to CSR efforts, but also when it comes to communicating them (Beckman, 2006).

For instance, consumers expect companies to be socially responsible and appreciate companies that employ minorities, do not employ children and support the local educational institutions (Harrison, Newholm, & Shaw, 2005). More than that, consumers want to be informed about the companies' CSR practices, because they find it hard to determine whether these rise up to the standard levels when it comes to social responsibility.

Auger, Devinney, Louviere, & Burke (2010) found that there is a relationship between growing consumer awareness and expectations and environmental degradation, climate change, and the pervasiveness and power of multinational enterprises. The fact is that consumers are increasingly aware of CSR issues, even if we are dealing with economies in transition.

Consumers become active and their involvement increases if they are dealing with a particular problem or issue that is important to them (Heath and Douglas 1990). Pressure from consumers can be in the form of shareholder activism, consumer boycotts and adverse publicity in the media (Smith 2000). Today, because of the wider availability of high-quality products, consumers increasingly evaluate these products, and automatically the companies, through non-traditional attributes, which can result in sanctions towards the irresponsible companies (Dawkins and Lewis 2003; Auger, Devinney, Louviere, & Burke, 2010).

#### **4 Conclusions and future research directions**

Our article offers an insight into the different theories, definitions and researches concerning the present status of the corporate social responsibility (CSR) and the individuals' expectations towards it, enriching the literature from this field of study.

The findings from the studies that have been analyzed underline that it is potentially fruitful for the companies to become socially responsible and that the marketers should really think into incorporating CSR in the company's marketing communication and objectives. The empirical findings suggest that consumers have great expectations especially regarding the ethical and philanthropic dimensions of CSR. Fulfilling these expectations is a way for companies to do well by doing good. The studies' findings can also have an important significance for the corporate communication specialists. The researchers underline the fact that expectations originated from factors such as values and involvement (Golob, Lah & Jancic, 2008, Podnar & Golob, 2007, Dawkins & Lewis, 2003, Sen & Bhattacharya, 2001).

They also expect their CSR concerns to be proactively integrated in a continuous dialogue with a company (Morsing and Schultz 2006).

Future research could attempt to address the question of consumer CSR expectations more deeply, both by critically reviewing the existing conceptualisations and identifying alternative views of the respondents in the qualitative surveys.

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