

# The analysis of the customers' perception on CSR – tridimensional approach – cultural, economical and social

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## **Abstract**

There has been observed a more obvious need of the companies to appeal to community in order to find the necessary support and resources to accomplish their mission and objectives. For the society to develop, the population and the business sector must involve in communication and social responsibility programs. The state is added to these two elements, which can act as a catalyst in making every one responsible. A major potential can be identified at the consumer's level in what concerns his availability towards the company and its products.

**Keywords:** customers' perception, corporate social responsibility, cultural, economical, social

## **1. Introduction - Tridimensional approach of customers' perception from CSR perspective**

In the investigation of the consumer's behavior, one of the main directions refer to the process of choosing between more competitive products and the evaluation of the alternatives. The main reason of the buying decision is manifested up to a certain point, which is usually of a rational nature and then, it is doubled by elements of emotional nature. The researches undertaken by the specialists have proved that besides the rational releasing element, many times, people buy according to the emotional desires they have. Practice has proved that there are four motivation factors of emotional nature, respectively: fear, gratuitousness, the gain without effort and the possibility to transform the dreams into reality.

### **1.1 Cultural approach**

Certain cultural and value connotations can be associated with any product, which offer importance and content to its symbolic image. The fact that the consumers have the tendency to associate a certain value importance to the product is part of the line of the stereotype balance principle. According to this, the socio- cultural values of a product's typical possessors are automatically transferred to the product's user. Thus, this association phenomenon between the life style and products determines a socio- value polarizing process of the products: certain products become symbols of a life style, they communicate the consumer's belonging to a certain group or his adhesion to a certain values system. At the company's level, the strategic management tries to offer the customers personalized solutions according to their values system. The consumer's involvement in creating solutions requires reconsidering the terms of the communication process between organization and public. Thus, the creation process of the value requires the development of some evolved communication systems between organization and

customer that take into consideration the feed- back and especially the mechanisms that govern the customers' choices.

Generally, the consumer doesn't buy in complete absence of information about a product or brand. The marketing specialists are interested in the way in which the consumer collects the information about products or brands, the way he interprets and uses them in his buying decisions, what are the questions to which he looks for an answer. The different tests (polls) have emphasized the fact that there is a strong connection between the ethical behavior of the companies and the consumers' decision to buy. According to a recent test, more than one of five consumers base their decision to buy or not a product on the perception they have on the social performance of the respective company. Most of the times, we can't attribute to these consumers a certain income, nationality or specific demographic characteristics. They can be analyzed from a psycho- graphic perspective.

### **1.2 Economical approach**

The concept of responsible consumer may be a challenge in a world invaded by messages that encourages you permanently to buy. Nevertheless, it seems that most of the people want free air and resources for everybody, not only for the privileged ones. Most of the consumers really want a better world, even if this wish is darkened by the price discounts and promotional offers.

The consumers' preoccupations related to the social or environment problems can't be simply exploited, by means of notifications expressing superficial modifications of a product or that the producer will conform to applicable rules. The importance of a company's values tends to overpass the importance of the products' characteristics offered on the market.

Seattle, December, 1999. "The world isn't merchandise!" This was the motto of a challenger movement to the address of the OMC Conference, which found a favorable echo at the level of the international public opinion, especially in what concerns the moral and affective dimensions of the commercial acts. In a traditional approach, a fair exchange between a company and society is the one in which the company gains the optimal profit while its offer responds to the demand. This is a classical exchange relationship between the company and the business environment.

Based on this relationship, the perceptions referring to the marketing actions are different, as the analysis is situated at the consumer or producer level. From the consumer's perspective, marketing is most often associated with the seduction, while from the producer's perspective, marketing represents the driving force which makes possible the sales.

Taking into account these well known aspects, we can couch the following answers:

- ✧ A responsible company can seduce the people being in the position of potential customers?
- ✧ Isn't a company obliged, in its influential actions, to modify its practices and to act as a responsible organization?
- ✧ The responsible actions are artificial practices or reflect a new working of the organization?

The answers to these questions pass inevitably by a set of observations that we will present shortly: in a market system managed by the utility principles, the ethics can appear as an outsider; but in the context in which ethics can become useful to a company, the societal commitment makes sense. The concept of ethics has multiple approaches, being necessary certain determinations related to the use of this concept in the context of the societal marketing and social responsibility. In the case in which the ethics is used in marketing as respect towards the person then there will be analyzed its related dimensions: consumer, citizen, shareholder etc. If the ethics is linked to the societal marketing, it will refer to the nature of the enterprise societal commitment towards the people and nature. In this context, ethics can be revealed as a genuine philosophy of the modern company, which commitment provides the compatibility between the business and social awareness.

The societal marketing is focused on tangible products or services associated to a cause and can embrace different forms: ecological marketing, ethical marketing or equitable marketing.

The ethical variable can become a veritable strategic lever for the enterprise, conferring an offensive tinge to its strategies in the measure in which it represents a real potential of differentiation based

on choice criteria valued by its public. The use of the ethics as a strategic tool provides a competitive advantage because it is perceived like a driving force in the resolution of the social problems. While a marketer associate to a product the symbolic dimension related to joint responsibility, this fact can become an element which allows the modeling of the preferences in a purchasing decision. In the case in which the consumption integrates the economic and social conditions as choice criteria, we can state that the purchasing process becomes a militant act. In a survey carried out in France in 2001, 58% from the buyers declared that they were incited by the offer which presented ecological guarantees, in view to sustain financially humanitarian causes or development projects in poor countries. We can take the conclusion that more and more consumers develop a favorable attitude towards the "engaged products", while the qualitative criteria referring to the production conditions or products origin represents differentiation tools. The consumers have sometimes objections or pretensions regarding the "engaged products" as they are waiting for a more efficient communication for them and the consulting of the public opinion.

Social responsibility and commercial performance can become entirely compatible only in the situation in which a societal vocation will be added to the economic function; in this way, the companies will find new differentiation manners. The main conditions regarding this compatibility are focused on:

- ✧ The company is usefully to the society, serving to its needs and expectations;
- ✧ Ethics and solidarity are usefully to a company, serving to its goals and being translated into marketing actions.

The perception of the enterprise societal commitment covers a larger spectrum then the one provided by its ethical-mercantile offer. The difference between a societal marketing strategy and a societal communication strategy can be apprehended by the consumers, as he can be in the same time shareholder, employee, citizen etc., but the social commitment of a company can have a strong impact on its image and sales, without being a company which practices a societal marketing. The societal communication of a company can be considered as a "knife with two sides" the companies are afraid of and don't prefer to communicate on this theme; the correctness of the societal marketing depends on the coherence with the total of the other practices from the "engaged enterprise". The consumer's education and information must lead to the fundamental change of the way in which he consumes. The consumer's behavior will change when he realizes that he will obtain added value under the form of a better financial offer and some benefits related to the life quality and security if he adjusts his expectations towards a lasting development. If the consumer's decisions are responsible and based on real and correct information and knowledge, they can contribute to a lasting development by means of the market, generating a state characterized by three major benefits: a better quality of the consumers' life, a lower social and environment impact and the stimulation of the companies' development with preoccupations in the lasting development domain.

The benefits of implementing the concept of social responsible consumer:

- ✧ Economic benefits for the company - meaning a high turnover, the increase of the customers' number, the market share, the increase of the consumers' trust and loyalty;
- ✧ Image benefits - this approach represents a contribution to the image capital of the company, the reinforcement of the company's position towards the clients in what concerns the commitment taken to the society;
- ✧ Social benefits - by finding and supporting solutions for some problems of the society;
- ✧ Benefits for the consumer, especially on the emotional level.
- ✧ In this context, the companies preoccupied with image will try to gain the consumers' attention and trust by presenting a series of information about the organization and the register of its values.

The major objective of each company is to have loyal consumers who can plead anytime in favor of its products. The variety of tools that can support the accomplishment of an objective may be

completed by activities of social responsibility that can create an emotional bond with the brands and the products of the company.

### **1.3 Social approach**

The fact a product is 'green' matters in this moment only for a few segments of local consumers. The acquisition criteria related to the social responsibility have a reduced share in the decisional process of the Romanian consumer in comparison with those related to the functional benefits of the product. Paradoxically, the statistics show that, even if, at a declarative level, an important percentage of the Romanian consumers of food products are extremely sensitive to the alimentary additives subject (the famous and destructive Es), their consumption behaviors are not influenced by this aspect in a definite manner.

In reality, the number of those who are prepared to change the products they use in this moment with similar ones, but 'green', is now very small. This will determine in time a spectacular change for most of the Romanian consumers, related to the information and experiences accumulation. But this is a process which requires time, involvement of the companies, authorities and consistent effort of the consumers. Thus, in order to win the Romanian consumers' trust and their involvement in activities of social responsibility, the companies must make a first step, by showing that they respect them in everything they do (correct information, appropriate packages, correct prices, direct contact, shopping experience, post acquisition services etc.)

The consumers are more and more receptive to the impact of the products on the environment and this tendency will increase in the following years. According to the European statistics, four of five European consumers want to buy ecological products if they are appropriately certified. In this context, an important aspect, perceived as a first element of the companies' correctness towards the consumers is represented by labeling. The label is the best way to answer the numerous questions of the consumers, on scientific grounds. The ecological labeling represents an important step in reinforcing the relationship between the company and its clients, contributing to the consumers' loyalty and trust increase. Moreover, it contributes to the improvement of the company's position towards the customers in what concerns the commitment to the environment. The ecological labeling can improve the brand image, being another proof of the products' quality. The companies that get the ecological label have another opportunity. They can promote their products using an on-line catalogue with European products that are ecologically labeled for free.

## **2. The analysis of the customers' perception on CSR**

The corporate social responsibility offers the organizations the chance to contribute to the improvement of the society's problems. In order to accomplish this thing, the companies dispose of a rich series of instruments and they can collaborate with different entities, from governmental structures, NGOs to consumers. Thus, the companies must consider the interests of all the stakeholders, from shareholders, employees, business partners, such as providers, customers, creditors, distributors to consumers and community by means of the forms of involvement in the society's problems. All the problems of these projects must find themselves within a strategy of social involvement that should be integrated on a medium and long term in the company's development strategy and the corporate communication one. In this context, the CSR programs can't be conceived separately without a vision to integrate them in the marketing and management objectives of the company.

A series of conditions must be accomplished in order to insure an appropriate framework for the development of the CSR programs, with benefits for the organization and the consumers:

1. The definition of an ethical code, the principles that guide the organization in its actions or a set of ethical standards to establish the rights and obligations the company has towards the co-interested groups, including the consumers.
2. The publishing of the ethical code and the promotion among employees, business partners and consumers.
3. The elaboration of the periodical social reports that should reflect the measure in which the company respects its obligations.

4. The publishing of the report standards that are used as well as the auditor who elaborated the reports.
5. The evaluation of the social investment programs and their impact on the aimed social groups and the consumers; the publishing of the results of the social investment programs.

These aspects have been covered in the structure of a questionnaire with X questions. The research was quantitative and developed between 1st - 20 of June 2009. The survey was carried out online, on a sample of 250 representatives of the business environment involved in the CSR domain. According to Maignan and Ferrell, we can analyze the connection between the individual values and the sensitivity towards the corporate ethical responsibility, using the value typology created by Schwartz and the operation of the corporate ethical responsibility. (CER) [Perrinjaquet, A. and Furrer, O., 2007] The involvement of the big companies in the philanthropic actions can bring, in some cases, important benefits from the financial point of view because a promoted and social product sells much better. Many companies in USA built successful affairs by means of generous donations for the community for humanitarian causes. The experience of these companies, next to different studies, indicates the fact that the involvement in community generates profit. A survey carried out on European level by MORI (Market & Opinion Research International) reveals that 70% of the consumers prefer the products or services of a company that is involved in solving social or environment problems. The same survey shows that almost half of the consumers would be willing to pay more for the products or services of a company that is socially responsible. [Redman, E., 2006] In Romania, the survey based on a questionnaire to which 55 representatives of the business environment involved in CSR have answered, had as a result, a rate of answer of 22% and the results were relevant for the Romanian business environment. A number of X questions approached issues referring to the social audit, the social report (the publishing and credibility among the target groups), the ethical code, the level of the consumers' involvement in the CSR programs developed by the organization, the connection between the individual values and the sensitivity towards the corporate ethical responsibility (CER).

The data analysis and their processing emphasize relevant results for the purpose of the research. Thus, 61% of the respondents state that their companies are not socially audited and don't publish social reports. According to the results, only 24% of the companies are socially audited. The multinationals predominate among the socially audited companies. The companies that are not socially audited operate in the industries of alcoholic drinks, banking, pharmaceutical, software, telecommunication, energetic. Almost half of the unaudited companies are multinational. 14,8% of the companies' representatives state that they don not know if the companies they work for are socially audited, even if they have preoccupations in the CSR domain.

37% of the respondents declare that their companies publish social reports. Nevertheless, most of the companies don't publish social reports on websites. Among the respondents, 16, 7% of the business men haven't heard of Romanian companies that report socially, 11% declare that the companies' social reports are not credible and 53,7% state the credibility of the social reports.

The representatives of the inquired companies also consider that the main problems that must be taken into consideration by a social audit of their company consider, according to their importance, the relations with the local communities (77,8%), rights and work conditions of the employees (74%), the consumers (66,7%) and the environment (66,7%). The respondents state that recycling, the reduction of the energy consumption and the prevention of the water and soil contamination are the main environmental problems their company should be concerned with. We can observe that in a large proportion, that is 76%, the business men declare that their companies have ethical codes. The main ways by means of which the companies promote the ethical code consist in: internal communication channels (74%), training (46%) and corporate web-site (43%). According to the research, the ethical codes address themselves to the employees or unions first of all (81%), the companies' customers (46%) and the shareholders (41%).

A significant percentage of 87% of the inquired persons declare that their company invests socially. Even more than that, 93% of the business men consider that the organizations they work for should invest in community problems. But 35% of the respondents state that their company doesn't evaluate the programs of social investments. The main evaluation methods of the social investments are, according to their importance: the invested budget (70%), press articles (55,6%)

and reports of the partner NGOs in social projects (48%). The domains of the social investments preferred by the companies are: training and professional development opportunities for employees (94%), education (70%), work conditions for employees (69%), culture and art (63%). Finally, the domains of social investments preferred by the employees are: training and professional development opportunities for employees (69%), education (69%) and work conditions for employees (63%).

A high percentage of 67% indicates the fact that the management team of the inquired companies is willing to initiate projects of social responsibility in which the consumers are involved. The problem of these initiatives is finding the means to inform correctly the public concerning the cause they support, buying the product offered by the company, what is their effective contribution, what are expected results. If the public has access to a more complete and complex set of information, the chances for the answer rate to be higher are increased. A percentage of 33% from the sample submitted to research state that they will not initiate social projects addressed to the consumers, either because of the complexity and effort this approach presupposes, or they are not aware of the importance of this resource for the organization. According to most of the interviewed persons, 87%, the Romanian consumers are willing to buy products knowing that a part of the price they pay for the product is directed to support a social cause. This aspect represents an opportunity for each organization, the fact that it can count on the customers' support in the initiation and successful development process of a CSR project. In conclusion, the transparency in the CSR policies and the companies' credibility are determined by the way in which they make public the results of the social programs.

### 3. Conclusion

The image of a company and its corporate identity have become fundamentally important. Thus, an organization must prove transparency and correctness because to make a quality product is no longer enough. Moreover, the organization must prove itself a good corporate 'citizen', that is, it cares about the environment it operates, the effects it determines. On the other hand, it's obvious that the consumers are more and more sensitive and critical when talking about issues of social and ethical nature. A new type of consumer has appeared in this context, with very high expectations. Considering that the requirements have increased on both sides, the involvement in community has become necessary for any company that wants to ensure not only the commercial success, but also the society's respect. The trust and respect of the community's members affects the whole activity of the company, that's why it must contribute actively to the society's development. The benefits accomplished are first of all represented by the three terms: acknowledgement, reputation, gratitude. Thus, we can have a real process, by means of which we create a responsible society in which the companies try to cultivate a sense of responsibility and a better capacity to understand the economic, social and environment problems the society is confronted with, and the consumers are equally exigent and responsible. The organizations' actions success is insured by the permanent dialogue with the consumer in order to satisfy him by means of the goods and services offered. In front of a polyvalent consumer, the companies' marketing specialists are challenged to find new references to understand the mechanisms that guide the consumer's behavior and profile emphasis. Referring to the respect that must be given to the consumer, it starts with some real knowledge and understanding of the elements that are the basis of his decisions, respectively the creation of his behavior. The today consumer is permanently seeking for a meaning that is not always compatible with the rationality or utility notion.

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