

# CSR Practices Performance and their Visibility by Consumers: a Study with Spanish Food Products

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**Abstract.** Nowadays, companies around the world have engaged in an increasing number of CSR practices. This tendency is expected to continue growing up, becoming a mainstream global issue more and more relevant to business organizations in forthcoming years due to two main reasons. Companies are pretty concerned about advertising their ethical practices, on one side, in order to consolidate their involvement with collective demands of current societies and send a signal to the various stakeholders with whom they interact, and on the other, to differentiate their product offer and achieve competitive advantage in an increasingly globalized marketplace. In this sense, considering both lines together, customers maybe entail the most important group since they are the only ones to create income for companies. Based on this, this study analyses the importance of CSR for consumers in the food sector in reference to seven major CSR activities envisioned to fulfil seven stakeholders' expectations considering three demographic variables of consumers. For that purpose, it is conducted a survey study with a total sample of 1,752 consumers and a multivariate analysis of variance to perform an intra-group comparison. In general, findings support a moderate impact of CSR over respondents, while some discrepancies can be observed between them within different age groups. Lastly, a final discussion is carried out gathering some interest considerations as direct reflection of results obtained and further lines of future research are indicated.

## 1 Introduction

In recent years, companies have engaged voluntarily in an increasing number of environmental, social, and corporate governance initiatives such as community involvement, increased transparency, higher labour standards, reduced gas emissions, and numerous other social and environmental causes [1]. These initiatives, often referred to jointly as “corporate social responsibility” (CSR) actions [2], represent the corporate reaction to society pressure to be socially responsible [3].

In this sense, as public interest in CSR activities is expected to continue growing up, becoming a mainstream issue more and more relevant to business organizations in

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forthcoming years, sustainability and CSR are imperative strategy for organizations as a fundamental market force for success [4]. Even private enterprises, as organizational paradigms of search for their own benefit, are aware of the need of satisfying the expectations of objective publics other than investors.

Social pressure and business success emerge then integrating both sides of the same coin. On one side, CSR actions performance seeks to induce public goodwill towards the company that results in economic benefits [5], and besides, at the same time, pursues to maintain their reputation and consolidate their involvement with social demands and changes, in order to send a signal to the various stakeholders with whom they interact [6].

With regard to this latter, the stakeholder approach in the corporate social performance have become dominant in most CSR studies [7, 8]. For instance, [9] describes CSR as the “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance” and [10] as the “management of stakeholder concern for responsible and irresponsible acts related to environmental, ethical and social phenomena in a way that creates corporate benefit”.

Furthermore, related documents identify diverse groups of stakeholders to whom companies have to relate and fulfil. Socially responsible practices primarily involve employees and relate to issues such as human capital investment, health and safety, and change management, while environmentally responsible practices relate mainly to the management of natural resources used in the production [11]. Moreover, CSR also concerns other stakeholders beyond the doors of the company including business partners and suppliers, competitors, customers, public authorities, and NGOs representing local communities, as well as the environment [12].

Among them all, customers maybe entail the most important group since they are the only ones to generate direct income for companies. In this term, customer satisfaction is extremely important for maintaining a long-term customer relationship, which is often essential for a firm's success [13]. Accordingly, customer satisfaction plays a significant role as predictor of important behavioural responses, such as repurchases, customer retention and loyalty [14, 15].

Hence, companies advertise their ethical practices to differentiate their product offerings and achieve competitive advantage [16], and by this mean, the availability of information on corporate responsible practices is considered a key determinant of consumers’ assessments and decisions [17].

This fact places emphasis on how CSR information should be communicated to ensure that an organization is not only legitimate in its activities, but also perceived to be so by its consumers [18], that is, businesses need not only to develop CSR initiatives to become better corporate citizens, but also to communicate their activity to diverse stakeholders [19], especially consumers [20].

However, the previous literature suggests that the visibility of corporate social reputation practices and its effects on consumer behaviour remain inconclusive or, at least, more complex than expected [21]. In this vein, whereas some authors support that socially responsible initiatives may induce consumer positive attitudes towards the organization [22, 11], others report that explicit CSR declarations are not a factor in their purchasing decisions [23, 24].

Based on all this, the present study is intended to analyse the importance of CSR for consumers in the food sector in reference to seven major CSR activities envisioned to fulfil seven stakeholders’ expectations (employees, distributors, environment, social issues, local economy, consumers, and competitors) and considering three demographic variables of consumers (gender, age, and educational level).

## 2 Methodology

In order to address the purpose previously pointed, it was conducted a survey study with a total sample of 1,752 consumers from the Spanish region of León, reaching thus a representative sample size for a significance level of 95.5%. Respondents were randomly selected from general population according to real distributions by gender and age<sup>†</sup>. Based on these criteria, the total sample comprised 931 females (53.1%) and 821 males (46.9%), aged 18 to 75 years old ( $M = 43.54$ ). By age group, 31.5% were aged 18 to 35 years old, 29.3% were 36 to 50, and 39.2% were 51 to 75 years old. For more detailed information about methodological aspects, see Table 1.

**Table 1.** Technical data.

<b>Population</b>	463,746 inhabitants of León (Spain)
<b>Sample size</b>	1,752 individuals
<b>Surveying technique</b>	CAPI (computer aided personal interview)
<b>Field workers</b>	College students
<b>Sampling method</b>	Simple random sampling
<b>Sampling error (<math>e</math>)</b>	$\pm 2.39\%$
<b>Level of significance (<math>\alpha</math>)</b>	95.5% ( $p = q = .50$ )
<b>Date</b>	March to June 2017

Source: Authors.

All respondents answered voluntarily to a questionnaire composed of two main sections. The first section gathered information about the most basic demographic variables, gender, age, and level of education. In turn, the second section was integrated by seven items concerning CSR activities intended to seven major stakeholders' fulfilment.

For each item, participants were asked to report their level of agreement on a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree) depending on their degree of consideration of these CSR practices at the time of purchasing food products. These seven items are included in Table 2.

**Table 2.** CSR Practices<sup>a</sup>.

<b>In relation to my purchases of food products...</b>
1. I am aware of employees' work conditions (salaries, work hours, etc.) of the brand
2. I take account of the company's distribution conditions (quality control, fair trade, etc.)
3. I appreciate that the brand is involved in actions aimed at the preservation of the environment

<sup>†</sup> INE, Instituto Nacional de Estadística (National Institute of Statistics), Cifras de población (Population Figures), available at <https://bit.ly/2kQqmYu> (accessed 3 Sept 2019)

4. I cherish that the company is committed to resolving social issues
5. I value that the brand is involved in the economic development of the local community
6. I keep in mind that the company provides consumers with accurate and useful information about its products
7. I consider the fair business practices of the brand with respect to its competitors

<sup>a</sup> Cronbach's alpha = .883

Source: Authors.

Once data were collected and processed, Cronbach's alpha coefficient ( $\alpha$ ) was calculated with the intent to check the reliability level of the scale (see coefficient in Table 2). After that, it was conducted a Multivariate ANalysis Of VAriance (MANOVA) using the software SPSS version 24.0.0.1 to perform an intra-group comparison regarding those CSR activities previously mentioned in reference to food products considering gender, age (divided into three ranges; 18-35, 36-50, and 51-75), and educational level of participants (primary school, secondary school, vocational training, and university).

With respect to peculiarities of the MANOVA, at the time of the estimation of statistically significant differences among the dependent variables, Bonferroni correction was used at the first stage of the analysis to adjust the significance level in relation to the number of statistical tests simultaneously performed on the same set of data. This adjusted alpha level was calculated by dividing the overall error (value of .05) into the number of tests to perform (number of items). Furthermore, in a later stage, if age and/or educational level differences emerged as significant, HSD Tukey post hoc test was also performed to analyze these differences by age range and/or type of education.

### 3 Results

Table 3 gathers mean scores obtained in the scale aimed at assessing consumers' awareness and consideration of different responsibility practices in their purchase decisions of food products with regard to their gender, age range, and education, respectively.

**Table 3.** CSR activities perception by gender, age, and level of education.

Items <sup>a</sup>		1	2	3	4	5	6	7
<b>Gender</b>	Male	2.63	2.43	2.57	2.49	2.87	3.28	2.39
	Female	2.66	2.45	2.66	2.61	2.88	3.36	2.39
<b>Age</b>	18-35	2.54**	2.29*	2.50	2.48	2.75**	3.34	2.34
	36-50	2.74	2.55	2.75**	2.64	2.96	3.36	2.48*
	50-75	2.65	2.47	2.59	2.55	2.91	3.25	2.35
<b>Level of education</b>	Pri. school	2.58	2.38	2.50	2.47	2.83	3.17	2.21
	Sec. school	2.74	2.51	2.66	2.56	2.90	3.37	2.43
	Voc. training	2.54	2.37	2.65	2.57	2.88	3.19	2.39

	University	2.67	2.46	2.63	2.58	2.88	3.40	2.44
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<sup>a</sup> Mean values ranging from 1 (strongly disagree) to 5 (strongly agree)

\*\*  $p < .05$ ; \*  $p < .10$

Source: Authors.

In general, respondents reported to pay a moderate attention to responsible practices performed by food companies and directed to fulfil diverse stakeholders at the time of buying their products. In this respect, average scores ranged from 2.39 to 3.36 in terms of gender, from 2.29 to 3.36 in terms of age, and from 2.21 to 3.40 in terms of level of education.

For its part, consumers were not so conscious of CSR activities oriented to satisfy needs and interests of stakeholders such as competitors (item 7) and distributors/suppliers (item 2). In these cases, mean scores were the lowest of all responses (around 2.39 and 2.44 for age, around 2.39 and 2.44 for gender, and around 2.37 and 2.43 for education, respectively).

Furthermore mean scores were slightly higher for the items six and five of the scale. This indicates that respondents value the most those responsible practices addressed to the better satisfaction of their own interests and needs (consumers as stakeholders), followed by those other CSR activities involved in the economic development of their local community. Mean scores in these items, six and five, were around 3.32 and 2.88 for age, around 3.32 and 2.87 for gender, and around 3.28 and 2.87 for education, respectively. Particular mean scores obtained for the seven items in each gender, age range, and education categories are summarized in Table 3.

After this exploratory analysis, it was performed a MANOVA to test the effect of age range, gender, and education level of consumers on the consideration of diverse CSR practices devoted to the satisfaction of different stakeholders. In this sense, it was not found any statistically significant difference either by gender or by level of education in the seven items of the scale according to a Bonferroni adjusted alpha level of .007. Presumably, this indicates that both men and women, whatever their education, show the same interest, awareness, and consideration of responsibility actions and policies met by companies at the time of actually buying food products.

Particularly, it was found a statistically significant difference for age in some of the combined dependent variables. Likewise, when the results for the dependent variables were considered separately, statistically significant differences emerged from first, second, third, fifth, and seventh items according to a Bonferroni adjusted alpha level of .007.

After this outcome, a HSD Tukey post hoc test were performed to identify concrete differences by age range. It was found that youngest respondents, aged between 18 and 35, seemed to be less susceptible to keep in mind CSR practices carried out by companies when these are oriented to address expectations of employees (item 1;  $M = 2.54$ ), distributors/suppliers (item 2;  $M = 2.29$ ), and the local community (item 5;  $M = 2.75$ ) at the time of acquiring food products if compared to those others aged between 36-50 ( $M = 2.74$ ,  $M = 2.55$ , and  $M = 2.96$ , respectively), and 51-75 ( $M = 2.65$ ,  $M = 2.47$ , and  $M = 2.91$ , respectively).

Conversely, in particular, it was also found that middle-aged respondents, between 36 and 50 years, tend to contemplate responsibility criteria of food companies aimed at the preservation of the environment (item 3;  $M = 2.75$ ), and the development of fair business practices with respect to their competitors (item 7;  $M = 2.48$ ) at the time of purchase in a greater extent than other age groups, namely 18-35 ( $M = 2.50$ , and  $M = 2.34$ , respectively), and 51-75 ( $M = 2.59$ , and  $M = 2.35$ , respectively). Statistically significant differences obtained for these five items in each age range are summarized and indicated in Table 3.

## 4 Discussion

Implications of CSR for consumer behaviour and marketing represent a quite common topic in recent literature. In general, main conclusions in this sense remark that, while it is true that socially responsible initiatives may induce some consumer goodwill towards the organization, the effects of CSR on consumer behaviour are vague and ambiguous [21].

With the intent to throw some light on the subject, this paper has been aimed at analysing the visibility and consideration of CSR activities performance along the consumption patterns of individuals distinguishing between distinct types of CSR activities according to the specific stakeholder benefited in each case.

Likewise, findings, taken together, support a moderate impact of business responsibility practices (with a downward tendency) over the purchase decision-making of consumers analysed, which is generalizable to men and women, different age ranges and educational levels. However, some particularities can be stressed.

Accordingly, youngest participants (between 18 and 35) are the least worried about responsibility actions of food companies when compared to the rest. This very group is not quite interested in CSR information (even though it is, traditionally, the best informed segment). Maybe, they tend to pay more attention to the physical properties of products, such as price and other tangible aspects, and be less prone to purchase food products due to responsibility reasons, whatever the stakeholder is addressed but especially employees, distributors, suppliers, and the local community.

For its part, middle-aged respondents, between 36 and 50 years, pointed to contemplate responsibility criteria at the time of making a final decision of purchase or rejection in a greater extent than other age groups mostly when the enhancement of environment and/or fair trade relations between competitors are sought by them.

Generally speaking, it could be assumed that the identification of segments of population with different importance assignments to the diverse responsible practices could help managers of agro-food companies to improve adaptation of CSR decisions to the specific demands of objective publics. In this sense, age is confirmed as a likely useful segmentation variable when analysing the influence of CSR on consumer behaviour.

Considering all the above, we can presume that responsibility actions drive to positive attitudes towards food companies [11], especially those directed to fulfil consumers expectations (consumer considered as stakeholder), but it is true as well, in the light of the results, that these responsible concerns go somewhat unnoticed by individuals [25], mostly those devoted to the satisfaction of other stakeholders.

In line with this, two basic ideas could be observed from the entrepreneurial point of view. On one hand, different businesses must address the design of an appropriate CSR communication policy. In consideration of the prevalence pointed by respondents of self-oriented CSR practices above those initiatives in favour of other stakeholders, communication campaigns should emphasise consumer-oriented activities over the rest, or possibly stress the positive effect that any other activity may have on the final consumer. In second place, and related to the previous, bearing in mind the poor visibility that CSR practices have among consumers jointly with the variable age as a criterion of segmentation, it should not be neglected a convenient selection of diffusion channels, especially for its discriminatory capacity to impact differently over consumers of diverse ages at the time of search for information.

Finally, despite the contribution of this study, the scope of the findings is limited by some aspects. First of all, it is necessary to point that the research context is only focused on a single product category, which restricts the generalizability of the results to other products. In the same line, this study has retrieved information from one particular geographic region. Moreover, another factor that should not be overlooked is that the

measuring instrument has not been tested and validated before, even though it has been developed from theoretical foundations and associated reliability index have been included. These limitations, however, represent new opportunities for an enhanced future research, since this approach if replicated (i.e. in other sectors of activity) and expanded (i.e. to national/international contexts) and its errors if controlled would endow future studies with greater validity, generalizability and comparability of results.

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