



CORPORATE SOCIAL RESPONSIBILITY AS PERCEIVED BY CONSUMERS. A COMPARATIVE ANALYSIS IN URUGUAY AND SPAIN

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ABSTRACT

PURPOSE: This paper compares three general factors defining the experience of citizens in Uruguay and Spain with regards to CSR, namely, perceived importance of CSR practices in the relationships between firms and their various internal and external stakeholders, consumer goodwill toward responsible firms and products, and specific consumer behaviors with regards to CSR. **METHODS:** A self-report survey was collected with a sample of citizens from Uruguay and Spain. Respondents were asked to assess many statements on a five-point Likert-type scale, and a series of MANOVAs were conducted to test differences between the two samples in the variables considered. **RESULTS:** Findings point to a generalized awareness of both Uruguayan and Spanish consumers on the importance of CSR practices in the relationships between firms and their stakeholders and a general willingness towards buying products of responsible firms and punish irresponsible actions, especially when such behaviours do not involve additional efforts by the part of consumers. However, some between-groups differences can be identified. **CONCLUSIONS:** Results suggest the convenience of leading local firms to gain awareness on the potential contribution of corporate social responsibility initiatives and politics to their economic pursues and, by this mean, engaging them in specific impacts on the communities in which they operate.

Key words: corporate social responsibility, consumer behavior, consumer expectations, stakeholders, value creation, Uruguay, Spain

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INTRODUCTION

Reaching a certain threshold of development and competitiveness in today's globalized scenario is essential for those who want to have a minimal chance of survival in current marketplaces,

where the importance of political and geographical barriers is being more and more minimized and the different agents have to operate in response to the demands of a plurality of environments and cultures. From a microeconomic viewpoint, it is assumable that such a challenge should correspond primarily to private business initiatives. Simultaneously, a regional development focus should combine both micro and macroeconomic components in a conjoint action of private agents and the public initiative, this latter focusing its efforts in locating and attracting those economic activities with high domino effect in their corresponding areas of competence. In line with this purpose, an appropriate development strategy should be designed and implemented, articulating concepts such as those of efficiency, market orientation and production differentiation, participation, and

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benefit achievement, both private and – particularly– social.

Arguably, almost as a natural consequence of the previous, social responsibility activities have turn into habitual within the strategic plans of surrounding companies, which are more and more concerned for achieving and maintaining their reputation and making it clear their involvement in social demands and changes. Even private enterprises –as organizational paradigms of “selfish” search for their own benefit– are aware of the need of satisfying the expectations of objective publics other than investors and customers. This entire have resulted in the substitution of a *shareholders* theory for a *stakeholders* theory, based on a wider and much more integrated concept of organizational activity that exceeds the limits of market research and consumer needs satisfaction in exchange for the corresponding benefit. In this respect, issues such as collaboration with social causes, guarantee of fair work relationships with employees and intermediaries, fair trade, respect for the environment, work insertion of marginal collectives, and health and safety at work are, among others, new expectations to be fulfilled by all kind of institutions. At the same time, organizations are more and more convinced that improvement of social settings through their own activity has a great potential to contribute to their financial objectives.

In this context, many authors have investigated the implications of corporate social responsibility (CSR) for marketing in organizations, concluding that contribution to social and environmental causes may induce consumer goodwill towards the company (1-5), and thus remarking the importance of considering the way that corporate decisions are perceived by the public (6-13). According to a win-win view, these results point that CSR actions can contribute to value generation, both for enterprises, by increasing the profitability of their marketing strategies, and for citizens and consumers, through the consecution of community, social and environmental achievements.

From a developmental perspective, we assume that such a synergy can be used to create value in depressed regions, by leading local firms to gain awareness on the potential contribution of CSR

initiatives and politics to their economic pursues and, by this mean, engaging them in specific impacts on the communities in which they operate. From this view, consumer perceptions and experiences with regards to CSR represent a valuable input for companies, in order to develop sustainability marketing strategies adapted to the specific needs and priorities of their objective publics and build the basis of a spiral of conjoint development and welfare.

Applying these arguments to a real setting, this paper presents some results from a research project developed by a group of researchers from the University of León, in Spain, and the Catholic University of Uruguay, with the financing of the Spanish Agency for International Development Cooperation (AECID). Particularly, one of main aims of the project has been to set a model of integral corporative social action which could be used to analyze consumer perceptions, intentions and behaviors towards CSR in Uruguay, by this mean, generate basic information useful for local firms in the design and implementation of their marketing strategies according to sustainability criteria.

Over the past years, some advances can be documented in the responsible practices assumed by companies within the private sector in Uruguay. In this respect, every year new firms join in the corporate social responsibility index provided by the Christian Association of Business Executives (ESDE) and DERES group (the Uruguayan equivalent to the Foundation Enterprise and Society). Likewise, some progresses can be stated in different dimensions of business social responsibility in this emerging country, including support to community, residue management, labor risk prevention, staff voluntariness, and establishment of ethical codes. Parallel, an important advance have occurred at institutional level, in the sense that corporate social responsibility has been recently incorporated into the government agenda, resulting in different public initiatives in the context of Latin-American politics. However, research on the real state of the matter of social responsibility in Uruguay as perceived by citizens as main stakeholders of firms is still scarce. In this context, the implementation of a progressive new business culture based on responsibility principles and easily recognized

by all business stakeholders as means of sustainable economic and social growth is being notably hindered.

Beyond that, discussion of CSR implications for consumer behavior has been a common topic in recent marketing literature carried out in other countries. In general, major evidences reveal that socially responsible initiatives may induce positive consumer reactions towards the organization, whereas irresponsible companies would be punished (1-5). In this line, numerous studies demonstrate the link between CSR and positive responses by consumers, including identity attractiveness towards the company (14-17), corporate attitudes (1, 10, 18), loyalty and commitment (19, 20) positive evaluation of products (21, 22), reactions to price (21), and purchase intentions (23, 5, 10).

Based on these previous evidences, the purpose of this study was gaining some insights on the added value of CSR initiatives for local firms and consumers in Uruguay, by displaying some comparative results among consumers' views in this country and Spain. According to that, we developed a model of integral corporate social action, which identifies the dimensions of CSR based on two key foundations: the stakeholder perspective and an expectations framework.

By one hand, four main reasons justify the stakeholder focus. First, many models consider the construct of corporate social responsibility as the way in which the firm conceives and builds relationships with its stakeholders (24, 25). Second, the stakeholder approach is referred, explicitly or implicitly, in many of the most influential definitions of corporate social responsibility (26). Third, in terms of applications to business management, some experts claim that corporate responsibility may well be simplified to the consideration of responsible practices towards each firm stakeholder (27, 28, 29). And four, most of the guides, manuals and evaluation tools used to manage social responsibility in organizations usually organize those business activities according to relationships with stakeholders (30).

On the other hand, the model assumes that, within a real culture of business responsibility, citizens' demands and expectancies have to be satisfied beyond what concerned to the specific product or service destined to satisfy the need

which originated the relationship with the organization. In words of Baker (31), "*distinction between success and failure in competitive markets may be reduced to two basic issues, first, an understanding of marketing needs, and, second, the ability to deliver added value*" (p. 197-198). According to that, we assume the general idea that, more than a common obligation for business, responsibility activities should be a way to fit consumer expectations, this knowledge providing a better understanding of the added value of business responsibility.

From this general framework, this study was aimed to analyze three general factors defining the experience of citizens in Uruguay and Spain with regards to CSR, namely, perceived importance of CSR practices in the relationships between firms and their various internal and external stakeholders, consumer goodwill toward responsible firms and products, and specific consumer behaviors with regards to CSR.

MATERIALS AND METHODS

Data was collected from a total sample of 100 Uruguayan citizens from Montevideo and 100 Spanish citizens from León. The sample of Uruguayan citizens was composed of 50% males and 50% females, aged 18 to 82 years old ($M = 44.97$; $DT = 18.93$). The Spanish sample comprised 45 males and 55 females, aged 18 to 67 years old ($M = 42.86$; $DT = 14.72$).

Participants answered voluntarily to a questionnaire containing items on: i) perceived importance of CSR practices in the relationships between firms and their internal stakeholders (i.e., employees and shareholders); ii) perceived importance of CSR practices in the relationships between firms and their external stakeholders (i.e., consumers, suppliers and distributors, competitors, the environment, and the society), iii) consumer goodwill towards CSR; and iv) consumer behaviours regarding CSR. For each item, responses were ranged on a five-point Likert type scale.

To measure perceived importance of CSR practices at both internal and external levels, participants were presented a list of 17 indicators defining relationships between the firm and its stakeholders, including employees, partners and shareholders, value-chain stakeholders, the environment and the local community/society.

For each item, respondents were asked to grade the importance of each dimension in the habitual operating of a company, according to a five-point Likert-type scale from 1 (*not important at all*) to 5 (*very important*).

Consumer goodwill towards CSR was assessed with six items defining positive willingness to buy products of responsible firms and react positively towards information on CSR (e.g., “*If I realized a firm is performing in a responsible way, I would bought its products*”). For each item, respondents reported their degree of accordance, using a five-point scale ranging from 1 (*totally disagree*) to 5 (*totally agree*).

In the same way, we measured consumer behavior with regards to CSR by asking

participants about their degree of accordance with six sentences defining habitual purchase of products of responsible firms (e.g., “*I usually buy fair trade products*”). Again, respondents used a five-point scale ranging from (*totally disagree*) to 5 (*totally agree*).

RESULTS

In order to test differences between Uruguayan and Spanish citizens in the four perceived variables analyzed, we performed four one-way between-groups multivariate analysis of variance (MANOVA). The first of them was used to investigate the effect of country as independent variable on the eight indicators of perceived importance of internal CSR. Results of this analysis are displayed in **Table 1**.

Table 1. Differences in perceived importance of internal CSR

	Uruguay	Spain	F _(1, 194)	η^2
Risk prevention and health and safety at work	4.68	4.78	1.99	.010
Professional development and lifelong learning	4.57	4.44	2.32	.012
Equal opportunities for employees	4.52	4.58	0.47	.002
Work and family balance	4.56	4.36	4.79	.024
Promotion of fair work relations	4.63	4.53	1.22	.006
Volunteering activities for employees	4.13	3.31	33.81*	.148
Participative management	4.27	4.08	3.13	.016
Profit maximization for shareholders	4.20	3.79	12.76*	.062

Note. *Wilks' λ* = .79, *F*_(8, 187) = 6.25 (*p* < .001), η^2 = .21; * *p* < .0062 (Bonferroni adjusted level)

Taken together, results confirmed a statistically significant difference between the two groups of participants surveyed on the combined dependent variables *F*(8, 187) = 6.25, *p* < .001; *Wilks' Lambda* = .79; η^2 = .21. However, when results for the dependent variables were considered separately, only two indicators reached statistical significance using a Bonferroni adjusted alpha level of .0062. Particularly, as it is shown in **Figure 1**,

Uruguayan citizens awarded higher importance than the Spanish to volunteering activities for employees (*M* = 4.13 > *M* = 3.31) and profit maximization for shareholders (*M* = 4.20 > *M* = 3.79). For other items defining responsible human resources management practices, mean scores for both Uruguayan and Spanish citizens were considerably high, above 4 in the five-point Likert scale.

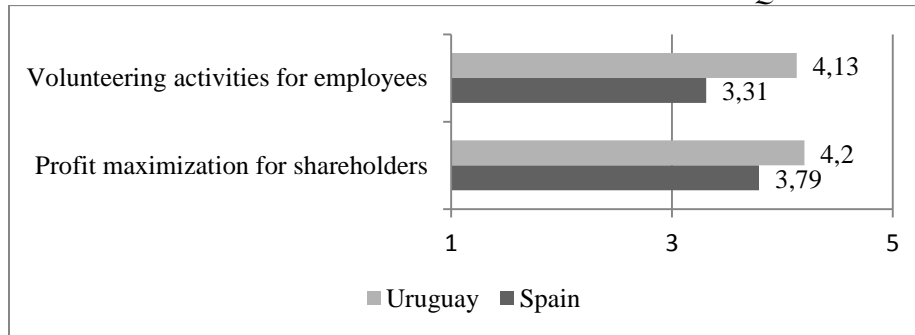


Figure 1. Statistically significant differences in perceived importance of internal CSR

The second MANOVA investigated the effect of country as independent variable on the nine indicators of perceived importance of external CSR. Results of this analysis are displayed in **Table 2**.

Taken together, results confirmed a statistically significant difference between the two groups of

participants surveyed on the combined dependent variables $F(9, 186) = 3.22$, $p < .001$; $Wilks' \Lambda = .86$; $\eta^2 = .13$. When results were considered separately for each indicator, again only two indicators reached statistical significance using a Bonferroni adjusted alpha level of .0055.

Table 2. Differences in perceived importance of external CSR

	Uruguay	Spain	F _(1, 194)	η^2
Offer of quality products adapted to consumers' needs	4.35	4.44	1.05	.005
Truthful information about products	4.39	4.42	0.09	.000
Ethical commitment to suppliers and distributors	4.22	3.96	5.44	.027
Responsibility towards competitors	4.24	4.01	4.06	.020
Respect for the environment	4.49	4.36	1.88	.010
Contribution to regional development	4.40	4.20	3.75	.019
Involvement in community interests	4.29	3.91	12.08*	.059
Collaboration with Public Administrations and NGOs	4.32	4.03	8.07*	.040
Social dialogue with government and enterprises	4.33	4.05	6.31	.032

Note. $Wilks' \lambda = .86$, $F_{(9, 186)} = 3.22$ ($p < .001$), $\eta^2 = .13$; * $p < .0055$ (Bonferroni adjusted level)

As it is displayed in **Figure 2**, Uruguayan citizens scored higher than Spanish in the perceived importance of the firms' involvement in community interests ($M = 4.29 > M = 3.91$) and collaboration with Public Administrations and NGOs ($M = 4.32 > M = 4.03$). For other

items defining responsible practices towards value-chain stakeholders and the environment, mean scores for both Uruguayan and Spanish citizens were considerably high, above 4 in the five-point Likert scale.

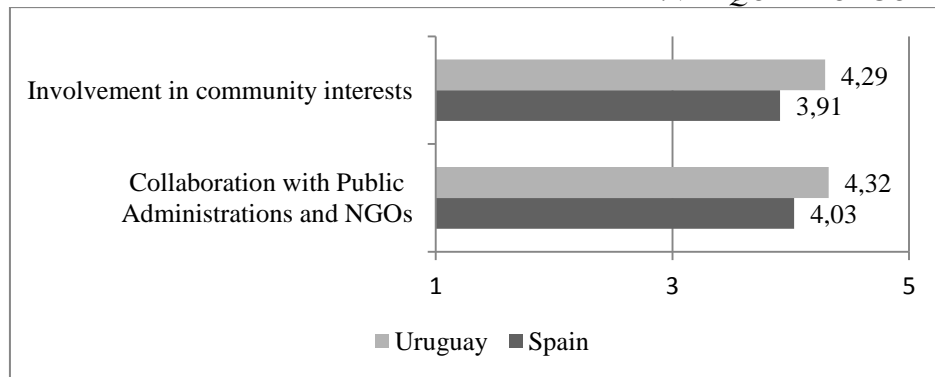


Figure 2. Statistically significant differences in perceived importance of external CSR

As for consumer goodwill towards CSR, a third MANOVA tested differences by country in the six indicators used to measure that variable (**Table 3**). Results did not confirm the existence of any statistically significant difference between the two samples in the combined dependent variables. However, when isolated effects were analyzed, Uruguayan consumers were found to be less willing than Spanish consumers to pay an

extra cost for products of responsible firms ($M = 3.68 > M = 3.28$). This difference is displayed in **Figure 3**. For the remaining indicators, mean scores for both the Uruguayan and Spanish samples were moderated when considering the likeliness of buying products of responsible firms or making specific efforts to acquire information on the matter.

Table 3. Differences in consumer goodwill towards CSR

	Uruguay	Spain	F _(1, 197)	η^2
If I realized a firm is performing in a responsible way, I would bought its products	3.98	3.80	2.08	.010
If I realized a firm is performing in an irresponsible way, I would stop buying its products	3.68	3.68	0.00	.000
I am willing to pay an extra cost for products of responsible firms	3.68	3.28	9.00*	.044
I am willing to make an extra effort to acquire products of responsible firms	3.54	3.29	2.94	.015
I usually pay attention to the responsibility signs of products' packages	3.37	3.41	0.09	.000
I usually search for products of well-known responsible firms	3.24	3.15	0.37	.002

Note. Wilks' $\lambda = .95$, $F_{(6, 192)} = 1.84$ (ns), $\eta^2 = .05$; * $p < .0083$ (Bonferroni adjusted level)

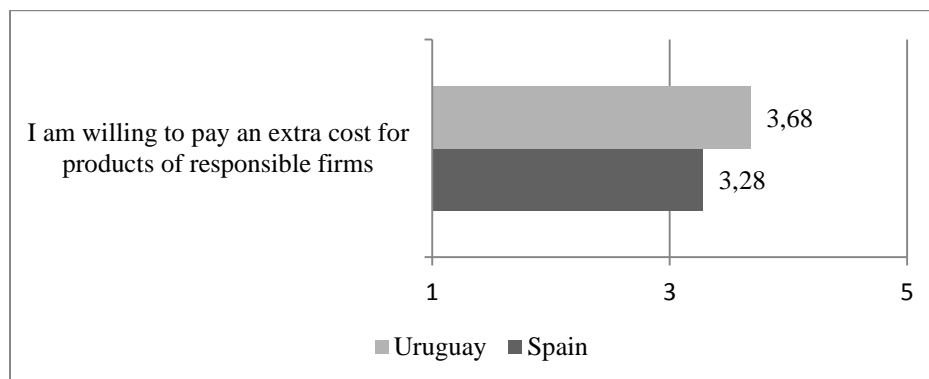


Figure 3. Statistically significant differences in consumer goodwill towards CSR

Finally, **Table 4** displays the results of the fourth MANOVA performed to investigate the effect of country on the six indicators used to measure responsible consumer behavior. Again, differences were not supported, while the mean

scores obtained for the two samples were moderated (around 3 in the five-point scale), thus showing positive reactions towards CSR which were amply dependable on the specific facet of responsibility considered.

Table 4. Differences in consumer behavior with regards to CSR

	Uruguay	Spain	F _(1, 194)	η^2
I usually buy fair trade products	3.37	3.19	1.55	.008
I usually buy products which are not tested on animals	3.14	3.15	0.01	.000
I usually buy products which are not tested on humans	3.19	3.14	0.08	.000
I usually buy ecological products	3.63	3.49	0.86	.005
I usually buy biological products	3.74	3.28	1.75	.009
I usually buy products which are not the result of work exploitation	4.10	3.81	3.95	.020

Note. Wilks' $\lambda = .96$, $F_{(6, 184)} = 1.22$ (ns), $\eta^2 = .04$; * $p < .0083$ (Bonferroni adjusted level)

DISCUSSION

This paper has presented some results from a research project aimed to set a model of integral corporate social action to create value in depressed regions, by leading local firms to gain awareness on the potential contribution of CSR initiatives and politics to their economic pursues and, by this mean, engaging them in specific impacts on the communities in which they operate. From this general the study described sought to analyze consumer perceptions, intentions and behaviors towards CSR in Uruguay and Spain, by this mean, generate basic information useful for local firms in the design and implementation of their marketing strategies according to sustainability criteria.

In general lines, findings pointed to a generalized awareness of both Uruguayan and Spanish consumers on the importance of CSR practices in the relationships between firms and their stakeholders, thus supporting the added value of such a kind initiatives in the fitting of companies' financial aims and societal and environmental concerns. However, some differences seem to exists between the importance awarded in both countries to some CSR practices, Uruguayan citizens reporting

themselves as more sensitive to firms' involvement in staff volunteering activities, profit maximization for shareholders, contribution to community interests, and collaboration with Public Administrations and NGOs.

Beyond that difference, some mutual trends can be generalized to the two samples considered. Particularly, it can be concluded that citizens react in a different way to the various facets of CSR when different groups of stakeholders are considered. In this respect, consumers awarded more importance to responsible practices directed to employees, customers and the environment, whereas relationships with shareholders, competitors and other chain-value stakeholders were less considered. In the same vein, and even when firms' support to community and societal campaigns are some of the most visible facets of CSR, these are not the most relevant considerations for citizens when defining business responsibility. Applied to the design of CSR actions and campaigns in organizations, this pattern of findings suggest the convenience of considering the specific

expectations of objective publics in order to gain into management efficiency.

As for consumer goodwill and behaviour in reaction to CSR initiatives, some insights from this study are also worth mentioning. In general, it can be concluded that Uruguayan and Spanish citizens share a general willingness towards buying products of responsible firms and punish irresponsible actions, especially when such behaviours do not involve additional efforts by the part of consumers (i.e., search for additional information on products or firms). At the same time, consumers reacted differently to the various facets of CSR, displaying a greater preference for environment-friendly products or those oriented to societal pursuits.

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