

Corporate social responsibility essay



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“ Discuss the extent to which attention to standards relating to Corporate Social Responsibility influences the activities of supermarkets.” Corporate Social Responsibility (CSR) has become an issue for retail companies connected to the question whether or not they pay attention to standards as viewed by their customers. This usually involves large amounts of money, time and resources to ensure that they maintain high returns at the same time satisfying their customers. Even if the issue of CSR has always been advocated for in companies, like ensuring the quality of the products and services they get to their customers (Zul, 1980), there has been a strong rise in concern whether they pay attention to standards. The importance of following standards by retail companies enhances their social responsibility hence increasing the activities of their shops by increasing consumer demand. Consequently, supermarkets that act with social responsibility are generally visited by buyers than those that do not (Brown and Dacin, 2007). Many supermarkets and other retail companies have, as a result, embraced CSR and for them, the question is not whether they are involved in CSR activities but how paying attention to the required standards will enable them to do this.

Corporate social responsibility activities in relation to standards take various forms, such as, a supermarket stocking imported products, use of biodegradable bags to package the goods, careful selection of sold products and consumerism programs. These activities usually need large contributions from the supermarkets, which may either be monetary or non-monetary. For example, a super store may target to store food products of foreign origin by importing them from other countries, as well as selling them at a price that

every customer in all the ranks can be able to afford (Gallanis, 2000).

Despite these costs that might be met by the retail companies, little is known about how shoppers are influenced by the various aspects of CSR activities. Brown and Dacin (2007) quote a manager of a major super store saying “ We do all these things....

we provide the best products...we sell at good prices.... but we don't know if our customers realize this”.

Although Corporate Social Responsibility activities seem to increase a super store's evaluation in general, there is very little evidence of whether these activities bring the same effect. It is very important to understand that any approach to CSR activities highlights the essentially dynamic character of the retail companies as far as CSR is concerned. Social expectations of consumers influence the CSR of the company which in turn influences the activities of the shoppers, customers or consumers. This then affects the company's attitude on socially responsible activities and triggers social responsible behaviours of the company. The society's expectation is then influenced by the CRS activities of the retail company. Let us now conceptualize the attention to standards in relation to CSR from the point of view of the customer and approach CSR as a process. Instead of focusing on a particular area, we concentrate on an element of the whole process of CSR: the CSR activities that influence the activities of shoppers at a supermarket. These activities cover a wide range of CSR and investigate their impact on shoppers, store evaluation and trust.

In the recent past, the effects of CSR on the attitudes and behaviours of customers have received attention (Folkes & Kamins, 1999). By exclusively focusing on consumers, this research moves from the perspective of the stakeholder, in which various groups, apart from consumers appear to be of importance, like the financial community, competitors and the regulatory agencies who ensure that the set standards are adhered to. The theory of consumption holds that the regulatory agencies and the consumer behaviours impact the retail company (Freeman & Gilbert, 1988).

Withstanding the importance of these two groups, a super store, is more interested in a detailed focus on the CSR process. Consumers play a vital role in the CSR of a company, especially for quality of services provided to the society. An empirical investigation, into the influence of CSR of a company on the behaviour of shoppers as far as quality is concerned is discussed in this study. We therefore concentrate on the basic stakeholder, and investigate their activities and evaluation of CSR activities according to their ranks. Consumer's or the shopper's perspective is highest when the perceived standard linked to the CSR of supermarkets is imported products.

Consumers of all rank rates the standards of the product stocked by the super markets to be of high quality when they know that such product are imported. They perceive that the level of social contribution of the supermarket is high when they provide the consumers with high quality imported products. The standards of such products are considered to be high because they have gone through the quality checks of the country of origin as well as the bureau of standards in the UK. The imported products that the study concentrated on was a food product: goat cheese that was believed to

have been imported from France and Lamb meat from New Zealand. The first rank of the consumers however are so patriotic and they believe that the CSR activity of the supermarkets is to stock products of British origin making them enjoy the best from the land. All the qualities of products are seen to reduce in percentage from the highest rank of customers to the lower rank of consumers who may be doing care about the quality of foods as long as the supermarkets make them available. Although non-GM foods are said to be of high quality than the GM foods, they record lower percentages than the other kinds of products as far as CSR is concerned. Rank 1 of shopper form 21% of the shoppers who support the stocking of Non-Gm foods as a corporate social responsibility by the supermarkets making them the biggest consumers followed by Rank 3 consumers and Rank 2 consumers with 18% and 17% respectively.

Rank 9 and 10 consumers to not recognize the stocking of Non-GM foods as an activity of CSR by the supermarkets. These groups also record the lowest percentages in all the categories of food provenance. This is shown in the graph below as they show the lowest numbers of total percentages of their foods and drinks purchases. Rank 2 of consumers consider all factors of food and drink purchases to be important as they record the highest number of total percentages as they consider these factors. Their perception of CSR is highest when the perceived factors of consideration are the welfare of the animals as seen in the above graph. This means that this rank of consumers consider all these factors of food and drink as very important factors that show the CSR activities of the supermarkets. From the column graph below, it is evident that the importance attached to these factors when purchasing

foods and drinks from the supermarkets reduces from Rank one to Rank 10 of customers. The Ranks on the left side of the graph are sensitive to the qualities of foods and drinks and they perceive that it is the responsibility of the supermarkets to provide quality products as far as all these factors is concerned.

Therefore, the perception the consumers have on the CSR of supermarkets is highest when they perceive that activity of this CSR benefits the society and not the supermarkets. This perception also requires the contribution of the supermarkets towards the well being of the society to be high. In other words, consumers expect retailers, such as supermarkets, to act to the highest benefit of the society and put effort into observing all the set standards in order to store quality products and drinks. Some of these activities are related to environmental standards where they pay attention to which kinds of packages the foods and drinks are sold in. If they are biodegradable, then they are environmental friendly. Therefore, supermarkets which involve in activities that address environmental concerns, they are able to easily attain the CSR they are always looking for. The more social responsible consumer perceives a store to be, the more they put their trust in it and the more overall evaluation of a store is done. Even though CSR affects both attention to standards and activities of consumers, the effects is stronger on how the store is evaluated by the shoppers.

The CSR is specifically designed to build trust. This study therefore shows that the perception of shoppers on CSR of supermarkets is based on two dimensions: the level of contribution and the beneficiary of the CSR. It provides an insight into the diverse CSR activities of the perceptions of the

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shoppers. To understand the effects of CSR activities, one has to investigate the perceive factors influencing the consumer activities as well as investigate contribution and beneficiary of these activities. Recent studies have also investigated the financial effects of CSR. These research studies have particularly tried to relate the overall CSR contributions to overall results of the supermarkets. The findings of these studies are inconsistent (Roman et al. 1999, McWilliams & Siegel, 2000).

The current study gives two main reasons for the inconsistencies seen in such studies. To start wit, the CSR activities investigate are to similar and some of the activities are better in giving the company a good evaluation than others. Secondly, the CSR activities investigated are poor at giving the company a good evaluation than obtaining the consumer's trust.