

Marketing of CSR

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Abstract—The responsibility of employees and the public towards corporations and vice versa (Corporate Social Responsibility - CSR) is preventing such scandals as Dieselgate, Huawei, Boeing or burned rain forests for growing oil palms for biofuels in media and court procedures. Surprisingly, no article about the preventive effects of CSR was found. Therefore, the objective of this article is to find CSR specific feedback improving marketing operability of the functional roles of CSR participants. Four main clusters of CSR: Environment, Care, Fair play and Technology have shown a portfolio of preferences according to the functional roles of age, gender, education, and number of kids in the family. Further, tests of hypotheses have shown how socio-demographic characteristics of respondents contribute to their socially responsible behaviour. Respondents with university degrees behave socially responsible, while respondents with occupational training do not. Similarly, respondents with the highest net monthly income of the household behave socially responsible, while respondents with the monthly household income between 15 and 30 thousand CZK don't. The clusters found in the sample of 1038 respondents explain targeting of CSR through this portfolio.

Keywords—marketing, CSR, corporate social responsibility, education, income, environment, care, technology, fair play

I. INTRODUCTION

The effect of CSR is not equal in all countries. Czechs are almost at the world top in waste collection, and minimizing pollution from industrial waste especially from packaging and tolerated emissions. They are selling emission vouchers while reinvesting gained compensation to clean household heating systems. On the other end, the US citizens have condemned Volkswagen to make money in court procedures. However, the impact of Dieselgate on car emissions production is minor. The matter of protest is the unethical behavior of some employees. Therefore, we are monitoring positive intentions of pure CSR contributors.

Marketing efficiency of bottom-up perception and behaviour of people in many social-oriented topics is influenced by competing marketing tools. It was found that a single impersonal topic of the environment if promoted through CSR, prevents consequences of scandals at markets. CSR scenarios complement marketing and product mixes to keep the for-profit orientation of corporations. Promotion of public benefits including donations to charities, ecological projects, various forms of support for children, elderly, innovations, social projects is a prerequisite of personal communication, which has increasing efficiency of these complex environmental indices in target market segments.

Reliability and efficiency of CSR roles differ due to general claims of stakeholders whose CSR actions are observed in this article from a top-down and bottom-up view. Therefore, the objective of this article was to examine, which functional roles of CSR participants are improving marketing management of scandal. Whether the bottom-up primary results were independent or dependent on the top-down CSR variables in the data set was measured by a contingency coefficient, which is also known as Pearson's Coefficient.

II. BACKGROUND

General concepts based on the feedback experience motivating behaviour [1], [2] suffer from the Dunning-Kruger [3] effect stating that people are not critical towards their own actions and values. Oppose to that the evasion or neglect of normative content in the field of marketing ethics is untenable, because ethics as a discipline, by definition, advances moral claims about the rightness of marketing actions that have occurred or are being contemplated [4]. Contradictions between moral claims of an individual and CSR is our primary research question, which is further elaborated according to the specifics of feedback and projections. The projections and intensity of actual actions differ from reality. Therefore, feed-forward and feedback are used to compare the difference between verbal anchors and reality. The model is based on the three evolutionary stages: operational optimization, organizational transformation and system-building allowing motivating behaviour by CSR feedback experience from both benefits and activities [1]. Feedback differentiates according to varied outcomes of functional roles [5]. Further, our research question searches for the differences between CSR topics and groups: Which groups of the respondents prefer specific activities of the companies? To find the answer, top-down and bottom-up contradictions are searched in the feedback and projections in literature. We start from socio-demographic characteristics (H1), through behaviour (H2), which is compared between specific areas and periods.

A. Top-Down Perceived Social Responsibility

Companies do not need to adapt to what people perceive more than their profit-generating actions. Further, social exclusion prevents carryover effects from deceptive advertising of two negatives making a positive [6]. Therefore, oppose extremes of multiple bipolar scales of depersonalisation and personal encouragements by motivational mantras are further discussed. However, from the marketing point of view, companies have to adapt to what people perceive more than what they actually do in accordance with socio-demographic characteristics of inhabitants (H1).

H1.1 There is a relation between preferred CSR activities of the company and socio-demographic characteristics of the respondent. Hypothesis H1e has sorted answers according to education while H1i according to income.

Hypothesis H1e: Behaviour of the respondents (responsible, irresponsible) depends on the level of their education.

H1i1: Behaviour of the respondents (responsible, irresponsible) depends on the net monthly income of the respondent's household.

The socially responsible behaviour of Czechs is influenced not only by the socio-demographics characteristics but also by CSR topics promoted by companies. The effectivity of companies' CSR actions is measured by the number of respondents voluntarily performing CSR related activities from bottom-up.

B. Bottom-Up Perceived Social Responsibility

Bottom-up CSR activities include separating waste, buying bioproducts, caring about animal rights and fair trade. Such activities of a consumer call for a transition of a case study-based approach to the system transparency and efficiency of CSR. Even negative consumer feedback is clearly a developmental value, creating awareness of deficiencies and motivating improvement [7].

H2.1: Preferences of the general public on socially responsible activities of companies are differentiated according to their own socially responsible behaviour.

C. Specific Perceptions of Social Responsibility

Perceptions are related to the three expected key antecedents of customer satisfaction: perceived overall quality, value and customer expectations [8]. Social responsibility is undermined by those who anticipate a loss in the contest, and they are therefore forced to pursue policy choices preferred by dissidents [9]. For example, when an organization applies a general rule against engaging in conflicts of interest, employees may feel uninhibited to accept a gift from a client because they may reason, at least for themselves, that this act does not create a conflict of interest and/or does not compromise their objectivity. Whereas a specific rule against accepting gifts from clients allows less freedom to interpret this rule in a self-justifying way. It would demand the utmost of someone's creativity to rationalize that they would be allowed to accept a gift from a client [10]. Concerning these contradicting roles, we differentiate areas and periods.

III. METHODS OF OUR CSR RESEARCH

A. Data Collection

The primary survey was processed by a quantitative exploratory research method under the application of a standardised questionnaire with questions regarding the following topics:

- Which areas should companies sponsor in order to be perceived as socially responsible?
- How much Czechs behave socially responsible?

The questions were designed in a semi-open mode with an option to provide more answers (multiple choices). The answers were recorded in binary nominal variables. The answers were rotated in each question in order to avoid the "halo" effect. At the end of a range of answers on each question, the possibility "Other" was assigned. If "Other" was applied, the respondent was prompted to provide their own answer.

At the end of the questionnaire, an open question was assigned. Similar answers were clustered and evaluated in a reduced appearance. At the same time, some interesting statements were quoted (verbatim).

The survey was processed by online questionnaires with a representative sample of n=1038 respondents from the population of the Czech Republic. The personal information included age, gender, place of residence, education, and income. The average questionnaire filling took 30-35 minutes. The data were collected in November and December 2017 in an online panel of respondents of the IPSOS Company in Prague in the Czech Republic.

B. Data Analysis

There are two main types of secondary data treatment: 1. Two-step cluster analysis is used for segmentation and 2. Association analysis is testing hypotheses.

The statistical data were analysed by an independent test of variables in contingency tables and by a two-step cluster analysis using the IBM SPSS software. Two-step cluster is dedicated for nominal variables.

The association analysis explores the relationship between the topic and socio-demographic identification questions in answers on the first question "According to your opinion, what should Czech companies sponsor in general?"

The relations between the variables were tested by the Chi-Square method. Only those pairs of variables at which dependency was detected (Pearson Chi-Square Asymp. Sig. (2-sided) = 0.000) are mentioned. Symmetrical metrics of contingency coefficient was applied for four-area tables with nominal variables. Moreover, the symmetrical metrics Phi for other tables with nominal variables and adjusted residuals (Adjusted Residual > 1.96) were applied for the identification of the significant differences in cells of the contingency tables [11].

IV. RESULTS

A. Answered Questions about Market Segments

Answers on question "Which groups of respondents prefer specific CSR activities of companies?" were processed by a two-step cluster analysis. Four clusters of the respondents' preferences towards socially responsible activities of companies have appeared.

The first group called "Environment" represents 26% of the respondents. The respondents of this group prefer socially responsible activities of companies targeting protection of the environment, humanitarian support of victims of natural disasters and military conflicts, support of community life and ethical entrepreneurship as well. They prefer the support of a favourable environment and the creation of a pleasant

environment for life and support of the poor who encountered existential bad luck anywhere in this world.

The second group called “Care” represents 31% of the respondents, and is the biggest one. Most significantly, respondents of this group prefer socially responsible activities of companies targeting care of socially disadvantaged, children and seniors. They prefer activities supporting education, support of equal opportunities and support of the resolution of public problems (crime rate, narcotics abuse, etc.). This group is characterised by enhanced social compassion with the socially disadvantaged. The third group called “Fair Play” represents 24% of respondents. This group prefers socially responsible activities of companies targeting fair behaviour and truthful communication towards employees.

The fourth group called “Technology” represents 19% of respondents. This group prefers socially responsible activities of companies targeting the development of modern technologies in order to enable them to support society (health and safety, data protection, lean production, etc.). Protection of the environment and natural resources and education is also of the interest of this group.

The shown identity of clusters is polarizing behaviour of groups to the extremes. The respondents, who did not behave in a socially responsible way in the previous year, significantly prefer CSR activities targeting care, protection and support of projects aimed at children, for example. Therefore, we have elaborated the most significant differentiation patterns according to the socio-demographic characteristics and behavioural differences.

B. Top-Down Operable Socio-Demographic Characteristics (H1)

The analysis of the socio-demographic identification of the respondents’ groups according to their behaviour showed top-down operable significant differences only for education and net monthly income of the household. The total number of socially responsible respondents is n=880, the number of socially not responsible respondents is n=158.

A significantly higher number of respondents with university degrees (n=191; adjusted residuum 4.3) behave socially responsible while respondents with occupational training (n=81; adj. res. 4, 9) do not behave in a socially responsible way. (contingency coefficient 0.178; sig. 0.000;) Therefore, hypothesis H1e: The behaviour of the respondents (responsible, irresponsible) depends on the level of their education was confirmed.

The respondents with the highest net monthly income of the household (n=115; adj. res. 2.4) behave socially responsible way. The respondents with the second lowest net monthly household income between 15 and 30 thousand CZK do not behave in a socially responsible way, (n=73; adj. res. 2.7) (contingency coefficient 0.115; sig. 0.007).

Hypothesis H1i1: The behaviour of respondents (responsible, irresponsible) depends on the net monthly income of the respondents’ household was confirmed.

C. Added Value by Bottom-Up Socially Responsible Behaviour (H2)

Answers to the question “Are the preferences of the general public on socially responsible activities of companies differentiated according to their own socially responsible behaviour?” Allow us to compare adversary socio-demographic characteristics with added value by bottom-up behaviour according to H2 “Preferences of the general public on socially responsible activities of companies are differentiated according to their own socially responsible behaviour”. H2 has accepted for 22 pairs with a weak Chi-Square test dependency out of 195 possible variations. The most important features of the bottom-up added value were donations, volunteering, and aid, which were delivered to nature, ecology and humanitarian purposes (sig. 0.000; p=0.08 up to 0.15; adj. res.>1.96). Individual tables are not included in the text due to the article page limit. The full tables are available upon request.

V. CONCLUSIONS

The objective of this article was to analyse the functional roles of participants to improve the operability of CSR for marketing purposes. Market segments of Environment (26 %), Care (31 %), Fair play (24%) and Technology (19 %) were found by cluster analysis.

TABLE I. RESULTS OF CLUSTER ANALYSIS

Cluster predictors of the market segment	N	Cluster predictors of the market segment			
		1	2	3	4
(%)		ENVIR ONMEN T	CARE	FAIR PLAY	TECHN OLOGY
Education	32.8	33.5	46.5	15.0	31.8
Care for seniors	13.9	8.7	29.9	6.1	5.1
Care for sociacialy disadvantaged	16.8	12.0	38.4	7.7	0.0
Help to victims of war disasters	8.4	16.4	8.8	2.0	4.5
Community support (culture, sport, events)	9.3	15.3	9.1	5.3	6.6
Care for kids	14.8	13.8	27.7	4.5	8.6
Environment protection ...	48.2	96.0	5.0	37.7	64.1
Societal equality	9.8	12.0	14.2	6.5	4.0
Prevention of crime and addiction	8.8	6.5	17.0	6.9	1.0
Business ethics	19.5	25.1	15.4	21.9	15.2
Fair treatment of employees	45.1	43.6	39.0	62.3	35.4
Truthful customer communication	27.5	0.0	5.3	100.0	10.6
New technology development for health safety, data protection, environmental friendly...)	25.0	0.0	9.4	12.6	100.0
TOTAL	1038	275	318	247	198
%	100	26	31	24	19

Source: Authors

Socio-demographic characteristics, especially the high cost of involvement of highly educated participants with high income, show how to countervail the paralyzing effect of participants with low income and professional education not behaving in a socially responsible way. Still, these less responsible low income and low educated respondents request sponsorship from companies especially for the area of kids, criminals, and addicts support.

Undifferentiated targeting of these market segments is possible only if highly educated participants with high income are included in the CSR campaigns. Differentiated targeting of respondents voluntarily not performing any CSR related activities may support companies in the scandal cases. It demonstrates the unequal treatment of employees or misused authority of managers.

Based on our research, it can be concluded that a higher priority should be put in the informal bottom-up network supporting environment adaptation and resilience.

Instead of governance strategies that might be adopted by central organizations, our results promote the formation of complementary groups for calm and scandalous periods, which are listing and clarifying social goals for easy landing the environmental strategies and challenges. The research also introduces the notion of quality into the social network analysis finding that distinct quality dimensions exert important influence on the formation of the network links between priorities of different target groups.

Targeting the market of high income and highly educated people during the calm periods supports scandals prevention. On the other side, during the scandal periods, targeting CSR non-practitioners helps reducing marketing consequences of the scandal. Complementation of both strategies dynamizes the social network analysis theory [12]. Verification of significance of p-values with double reliability of groups and preferred CSR priorities is challenging also for other domains. Further research on the reliability of market targeting through CSR groups and verbal anchors (slogans) is needed.

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