HOW DO CONSUMERS PERCEIVE THE SOCIALLY RESPONSIBLE ACTIVITIES OF CORPORATIONS: AN EMERGING COUNTRY’S PERSPECTIVE

Abstract:
This paper aims to understand (1) the perceptions of Turkish consumers towards the products/services of socially responsible corporations and (2) whether demographics- age, gender, education- are effective to profile the socially responsible consumers. The extant marketing literature has focused on the Corporate Social Responsibility (CSR) concept but less emphasis has given to understand the behavioral intentions and perceptions of consumers towards socially responsible products/services. Moreover, past research within the literature mostly are done in developed countries such as US and UK while limited analysis are done in emerging country context. In the study, the instrument developed by Maignan (2001) is used to measure the readiness of consumers to support socially responsible products. Data collected from 463 respondents indicate that Turkish consumers have favorable intention to support socially responsible products. Another valuable finding is that although gender has significant influence over socially responsible behavior, age and education are not significant indicators. The findings support the results of recent studies that the demographics are not strong enough alone to profile the socially responsible consumers and segment the market for CSR initiatives.

Keywords:
Corporate Social Responsibility, Socially responsible consumers, Demographics, Segmentation, Marketing strategy
Introduction

It is the 1960s when the societal concerns about environmental problems started to be taken into account in consumer behavior research. Consumer unions started to focus more on environmental issues such as energy usage, pollution, recycling and packaging within the same years (Webster, 1975). The Brundtland Commission published a report called “World Commission on Environment and Development” in 1987 which stated that sustainable development ‘meets the needs of the present without compromising the ability of future generation to meet their own needs’.

Recently, both the phenomenon of corporate social responsibility, and the scope of responsible consumption has broadened so that to include a broader diversity of social issues (Ingenbleek et al., 2015). Kotler in 2003, stated that responsible consumption agenda has potential to connect with every domain of the marketing environment: political, economic, social technological and ecological (Kotler, 2013). Regarding the managerial aspects of the phenomenon, recent studies demonstrated that environmental marketing has a positive influence over financial performance (Huang and Kung, 2011). Moreover, more firms are adopting green marketing strategies, and exploring environmental attributes as a source of competitive advantage (Chen and Chai, 2010). According to Peattie and Charter (2003), marketers look for the impact of production and consumption in the quality of life and development of a sustainable society. It is not surprising, therefore, that corporate social responsibility (CSR) has become today one of the subjects that scientists, institutions and enterprises discuss most frequently. On the other hand, the research on the public’s responses towards CSR is relatively limited in the literature. Moreover, this research topic in developing countries is more scarce. The developing countries sometimes are called as new consumer countries and even though they are consuming fast; they are still far behind in catching up the North American and West European lifestyles (Koszewska 2013).

One of the popular research topic in CSR concept is the attempt of profiling the socially conscious consumers (Hu et al., 2010; Roberts, 1996; Schubert et al., 2010; Zimmer et al., 1994). Kotler in 1997 stated that a market should be divided into homogeneous groups such as demographics, geographics and psychographics. The demographics on socially conscious consumers is the starting point of segmentation analysis. studies have showed that customer demographic characteristics are valuable for marketers in segmenting the market to achieve their corporate and marketing strategies. It would help to the segmentation of markets and develop communication strategies to reach different consumers effectively. The relevant literature underestimated the value of socio-demographic characteristics for segmenting and targeting environmentally conscious consumers (Scott and Willits, 1994;Stern et al., 1995). The findings of this present paper aims to investigate whether demographic attributes provide a significant criterion for market segmentation. Another
important aspect of this study is that it is run in a new consumer country which may provide valuable insight to global companies.

**Literature Review**

**Corporate Social Responsibility**

Although CSR has been a topic of interest since 60’s, unfortunately there is still no precise and a commonly understood definition (Frankental, 2001). As a result of this conceptualization and definition problem different terms started to be used interchangeably within the literature: for example, corporate social performance, corporate social responsiveness (Wartick and Cochran, 1985; Valor, 2005), corporate citizenship (Kotler and Lee, 2005), corporate sustainability (Dentchev, 2009) and business ethics (Vaaland and Heide, 2005; Dentchev, 2009). The most commonly accepted CSR definition used in marketing and management is Carroll's (1979) definition that identified four main responsibilities that a company should fulfill: economic, legal, ethical and discretionary – or sometimes called philanthropic responsibilities (Carroll, 1979; Podnar and Golob, 2007; Dentchev, 2009).

Van Marrewijk (2003 pg.97) defined CSR as a new and distinct phenomenon. For him CSR appears as a strategic response to the changing circumstances. "It requires organizations to fundamentally rethink their position and act in terms of the complex societal context of which they are a part.

In spite of the numerous conceptualizations, all of the definitions have two common aspects: (1) the societal concerns of companies and (2) the expectations of stakeholders and the society as a whole (Perez and Bosque, 2015). From the management perspective since the CSR investments have been accepted as a tool for the recovery of corporate credibility (Lin et al., 2011), the improvement of employee attraction and retention (Kim and Park, 2011; Sohodol-Bir, Süher, Altinbasak 2005). CSR has gained much attention in the last decade. Besides, the academia has studied various other aspects regarding the CSR concept, such as the companies’ motives behind their engagement in CSR practices, the selection and implementation of CSR initiatives, corporate returns received from investments in CSR practices (Perez and Bosque, 2015).

Studies about the phenomenon demonstrate that CSR can enhance both employee and consumer attraction, motivation and retention or satisfaction, or even improve the relationship between companies and other stakeholders (Kim and Park, 2011; Sen and Bhattacharya, 2001) when the implementation process successfully supported with appropriate communication methods.

Although researchers and managers believe that companies have underlying responsibilities towards the societies they are operating in, the literature is limited
regarding the returns that companies receive from their CSR programs (Vaaland et al., 2008). Beside this growing interest on CSR, less attention has been paid to the study of customer perceptions of CSR (Perez and Bosque, 2015).

**Socially Conscious Consumer**

Webster in (1975) defined the socially conscious consumer as:

“a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change”.

He also characterized the socially conscious consumer as a member of the upper middle class "counterculture," but one who operates at a rather low key. Among all the stakeholders, only the consumers are susceptible to a company’s Corporate Social Responsibility (CSR) initiatives (Bhattacharya and Sen, 2004). Moreover, the existing literature show that results are conflicting regarding consumers’ responses towards socially responsible companies. Some researchers stated that consumers generally have positive responses towards such companies (Podnar and Golob, 2007; Foster et al., 2009), whereas other researches find out that consumers are not really paying attention to CSR (Carrigan and Attalla, 2001; Vaaland et al., 2008). A growing body of research also demonstrated that consumers consider CSR in their decision making process during purchasing and thus, support socially responsible companies (Maignan, 2001; Kotler and Lee, 2005; Pomering and Dolnicar, 2006). Therefore, companies are expected to be more willing to increase their CSR investment (Mahoney and Thorne, 2005).

The research on the topic also reveal that consumers generally have a low level of awareness of companies’ CSR practices (Carrigan and Attalla, 2001; Pomering and Dolnicar, 2009). Even, they tend to remember more about irresponsible company behaviors due to the fact that media cover more corporate scandals (Carrigan and Attalla, 2001). It is also demonstrated that many times consumers may not have information about companies’ not only ethical but also unethical/irresponsible behaviors (Carrigan and Attalla, 2001; Swaen, 2003).

On the other hand, several studies declared that aware consumers have more favorable attitude towards socially responsible companies (Sen and Bhattacharya, 2001; Kotler and Lee, 2005; Dastous and Legendre, 2009). Interestingly some consumers perceive companies’ CSR practices in a negative manner as a result of ‘consumer skepticism’ (Swaen, 2003; Pomering and Dolnicar, 2009) because they believe that most of the CSR initiatives are for profit generating motives (Becker-Olsen et al., 2006).
It is well accepted that consumers’ expectations and opinions are directly influencing the design and effectiveness of corporate strategies and thus it is essential in the academic and business fields (Fukukawa et al., 2007).

**Hypothesis development**

Over the last 3 decades it’s tried to conceptualize and operationalize the “environmental consciousness” construct in marketing (Peattie and Charter, 1994; Kilbourne et al., 1997; Ling-yee, 1997). According to Diamantopoulos et al., 2003 study which clearly puts forward the literature summary of relationships between socio-demographics and environmental consciousness, the relevant literature is mostly based on USA (80%) while only a limited amount of research was conducted in Germany, Australia, France, Denmark, Israel and the UK. With respect to these study’s findings, relationship between socio-demographic characteristics and environmental consciousness measures are relatively complex. An accurate profile of the socially conscious consumer cannot be constructed yet. While some of the studies reveal that there is a significant positive relation between socio-demographic characteristics of the consumers and their level of socially conscious behavior, the recent ones are not able to present any similar evidence.

One of the first and well accepted studies that investigated the relation between demographics and socially conscious behavior of consumers is done by Anderson and Cunningham in 1972. This study demonstrated that socio-economic status, occupation, and age of the household head provide significant discriminators of social consciousness. The image of the socially conscious consumer emerging from the research is that of a pre-middle age adult men with a relatively high occupational attainment and socioeconomic status. He is typically more cosmopolitan, but less dogmatic, less conservative, less status conscious, less alienated, and less personally competent than his less socially conscious counterpart. On the other side, consumers with low social consciousness are of middle age or older, characteristically more dogmatic, conservative, status conscious, alienated and personally competent and less cosmopolitan. Aldag and Jackson also (1977) demonstrated that older customers are less concerned about CSR than younger customers.

Almost after 20 years of Anderson and Cunningham, in 1991, Arlow came with similar results. His survey of 138 college students reveals that females are more concerned with ethical and socially responsible behavior than males. Age is negatively related to one’s Machiavellian orientation and positively related to negative attitudes about corporate efforts at social responsibility. Age is a clear predictor of CSR knowledge and the attitudes and behavior of customers (Arlow, 1991).

Roberts (1996) show that gender, income level and age are only slightly related to the likelihood of their behaving socially conscious whereas education and occupation are not. However, Roberts concludes that demographics are not good predictors of socially conscious consumer behavior while there is a large segment of consumers who claim to be socially responsible. His study also demonstrated that there exist an attitude-behavior gap and thus not every concern translates into behavior.

Burton and Hegarty (1999) observed that women give special value to non-economic corporate endeavors such as philanthropy. Dietz et al. (2002) confirmed that women give greater importance to personal values, especially those related to the environment, when making purchase and consumption decisions. Diamantopoulos et al. (2003) explored whether socio-demographics still have a role to play in profiling socially conscious consumers. Following an interdisciplinary review of the literature, they have found that females hold stronger attitudes towards environmental quality than males. In terms of behavior females are also likely to undertake recycling activities more often and display “greener shopping habits” than their male counterparts. Younger people are more concerned about environmental quality. indicates that there is a negative significant correlation between age and scores on the ‘Environmental Knowledge’. They have found no significant relation between education and concern about environmental quality whereas according this study the better-educated are more likely to participate in green activities. In the particular CSR domain of environmental awareness, studies reporting a significant relationship between customer educational level and ecological knowledge, attitudes and behavior have consistently reported that better-educated customers tend to score higher on all components of the environmental domain (Diamantopoulos et al., 2003). A 2007 survey of consumers by Cone Inc. (www.coneinc.com) women consider a company’s commitment more to social issues when deciding what to buy or where to shop.

Samarasinghe (2012) found that age influence the consumer’s intention to buy green products. According to this study done in Sri Lanka- another emerging economy- the consumers above 45 years have less environmental knowledge but would have intention to pay more for green products. In 2015 Moisescu’s study done in another developing country namely Romania reveals that men’s loyalty is more influenced by the companies’ responsibilities towards community development as compared to the case of women. CSR is lower in the case of consumers of 45-56 years of age, as compared to younger ones. Customers’ perceptions of CSR increases significantly as the education level gets higher.

There are also studies that put forward contradictory results. Tian et al.’s study(2011) conducted in China indicate that the relationships between consumer demographics and their CSR responses are not linear. According to the authors it is attributed to the changing social culture and values deeply rooted in every Chinese generation along with the economic development of China. Recently Perez and Bosque (2015) also found that gender, age and educational level are not good moderators of the formation
process of CSR images among customers. Thus, the market segmentation based on demographic characteristics is not useful for the design of CSR and communication strategies in the banking industry.

Based on the given theoretical findings especially done in emerging economies like Sri Lanka, Poland and Romania the following Hypothesis are developed related to the case of Turkey.

H1: Females are more concerned with socially responsible behavior

H2: Younger people have more intention to buy socially conscious products.

H3: The better-educated have more intention buy socially conscious products.

**Methodology**

The purpose of the current paper is to investigate whether there are differences in the customers’ perceptions of CSR based on the demographic characteristics such as age, gender and education. To measure the consumers’ support towards CSR, Maignan’s scale (2001) is used. It is a five items instrument with a 7-point Likert scale ranging from strongly agree-7, strongly disagree 1. The survey has been translated to Turkish by the researchers. Afterwards one English and one marketing professor checked the translation. The survey is distributed through the social media in May 2016. In accordance with Krejcie and Morgan’s (1970) study which simplified the sample size decisions in research when the population (N) is higher than one million with a standard error of 0.05 the minimum sample size should be 384. At the end of a month 502 people completed the survey. Later the existence of outliers and missing values was evaluated through SPSS. After all these analysis 463 questionnaires were found to be suitable for further investigation which reaches valid sample size. In terms of the descriptive statistics, the number of male (N:220) and female (N:243) respondents is found to be almost equal permitting additional analysis. The average age of the respondents is 35 (std. 7.5/ mode 38/ min:20/ max:68). This is representative since the average of the overall Turkish population is 31 years old (Turkish Statistics Body, 2016). On the other hand, the education level of the sample is very high compared to the overall population %80 of the respondents have university or higher education.
Table 1. Sample demographics

<table>
<thead>
<tr>
<th>Gender</th>
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<tbody>
<tr>
<td>Men</td>
<td>220</td>
</tr>
<tr>
<td>Women</td>
<td>243</td>
</tr>
<tr>
<td>Total</td>
<td>463</td>
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<table>
<thead>
<tr>
<th>Age</th>
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<tbody>
<tr>
<td>18-30 years</td>
<td>118</td>
</tr>
<tr>
<td>31-40 years</td>
<td>257</td>
</tr>
<tr>
<td>41-50 years</td>
<td>65</td>
</tr>
<tr>
<td>51+</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>463</td>
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<table>
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<tr>
<th>Education</th>
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<tbody>
<tr>
<td>High-school or lower</td>
<td>43</td>
</tr>
<tr>
<td>BA</td>
<td>262</td>
</tr>
<tr>
<td>MA or higher</td>
<td>158</td>
</tr>
<tr>
<td>Total</td>
<td>463</td>
</tr>
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</table>

Source: Own data

Univariate normality was evaluated through the Skewness and Kurtosis coefficients. The most commonly used critical value of univariate normality is between -3 and 3 (Tabachnick & Fidell, 1996). All of the variables presented skewness and kurtosis coefficients within the interval. The observed variables all had univariate normal distributions. Multicollinearity analysis applied to all the items in the scale so as to identify whether there is a high correlation between any two of them. The VIF scores which are all below ten, demonstrated that there are no multicollinearities. An exploratory factor analysis with a varimax rotation was conducted to the data. The analysis yielded one single factor. The resulting reliability coefficient for this single factor is found to be 0.73.

Findings

The descriptive analysis proved that the educated consumers are socially conscious. Table 2 shows the mean scores for each scale item regarding the perceptions of consumers towards socially responsible products. The mean scores show that the majority has intention to pay premium for companies’ products that are engaged with CSR projects. Almost all are ready to pick the socially responsible one when the price and quality of two different brands are equal.
Table 2: Mean score distribution for each scale item

<table>
<thead>
<tr>
<th>Scale Item</th>
<th>Valid</th>
<th>Missing</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would pay more to buy products from a socially responsible company 1. Would you pay more to buy products from a socially responsible company?</td>
<td>463</td>
<td>0</td>
<td>4,76</td>
<td>1,83</td>
</tr>
<tr>
<td>I consider the ethical reputation of businesses when I shop 2. Consider the ethical reputation of businesses when I shop?</td>
<td>463</td>
<td>0</td>
<td>5,54</td>
<td>1,43</td>
</tr>
<tr>
<td>I avoid buying products from companies that have engaged in immoral actions 3. Avoid buying products from companies that have engaged in immoral actions?</td>
<td>463</td>
<td>0</td>
<td>5,49</td>
<td>1,83</td>
</tr>
<tr>
<td>I would pay more to buy products from companies that show care for the well-being of our society 4. Would you pay more to buy products from companies that show care for the well-being of our society?</td>
<td>463</td>
<td>0</td>
<td>5,20</td>
<td>1,61</td>
</tr>
<tr>
<td>If the price and quality of two products are the same, I would buy from a firm that has a socially responsible reputation 5. If the price and quality of two products are the same, would you buy from a firm that has a socially responsible reputation?</td>
<td>463</td>
<td>0</td>
<td>6,26</td>
<td>1,37</td>
</tr>
</tbody>
</table>

Source: Spss results of own data

The results have also been evaluated with respect to the gender differences so as to test H1. In order to see whether the gender difference is significant over perception of consumers towards socially responsible products, t-test analysis has been applied to the collected data. The t-test analysis of the present study demonstrates that there is a significant difference between women and men behavioral intentions. Women tend to give more importance to CSR initiatives than men. This result is also in line with relevant literature (Arlow 1991; Dietz et al. 2002). (Please see Table 3: Differences in perceptions towards CSR with Gender). Thus H1 is accepted.

Anova analysis were applied to test H2 and H3 and to demonstrate whether age and education levels have significant difference over intention in purchasing socially responsible products. The results showed no significant differences (p-value >0.05 at each scale item). According to the findings age and level of education do not help to profile socially responsible consumers. Some of the past studies revealed that these three demographic characters age (Arlow 91), gender (Arlow, 1991; Burton and Hegarty, 1999) and level of education (Anderson and Cunningham, 1972;) are significant variables in profiling socially responsible consumers. On the other hand, there are also studies that proved the opposite (Roberts, 1996; Tian et al).
Table 3: Differences in perceptions towards CSR with Gender

<table>
<thead>
<tr>
<th>Variable</th>
<th>T</th>
<th>P</th>
<th>T</th>
<th>P</th>
<th>T</th>
<th>P</th>
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</thead>
<tbody>
<tr>
<td>I would pay more to buy products from a socially responsible company</td>
<td>2.308</td>
<td>0.022</td>
<td>2.20</td>
<td>0.028</td>
<td>2.74</td>
<td>0.006</td>
</tr>
<tr>
<td>I consider the ethical reputation of businesses when I shop</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I avoid buying products from companies that have engaged in immoral actions</td>
<td>-2.26</td>
<td>0.011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would pay more to buy products from companies that show care for the well-being of our society</td>
<td>2.26</td>
<td>0.011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the price and quality of two products are the same, I would buy from a firm that has a socially responsible reputation</td>
<td>2.56</td>
<td>0.011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>4.55</td>
<td>0.022</td>
<td>5.39</td>
<td>0.028</td>
<td>5.24</td>
<td>0.006</td>
</tr>
<tr>
<td>Female</td>
<td>4.95</td>
<td>0.022</td>
<td>5.68</td>
<td>0.028</td>
<td>5.72</td>
<td>0.006</td>
</tr>
<tr>
<td></td>
<td>5.38</td>
<td>0.011</td>
<td>6.10</td>
<td>0.011</td>
<td>6.42</td>
<td>0.011</td>
</tr>
</tbody>
</table>

Source: Spps outcome of own data

Limitation of the Study
Although the response rate is high within the study the the education level of the respondents are higher than the average of the Turkish population. This is probably due to the fact that the research is carried out through social media. The sample consists of the consumers who are technology savy.

Further and deeper analysis should be run to profile socially conscious consumers and for segmentation purposes such as income level, family size, number of children or living area. Personal values and personality or psychographic characteristics would be more beneficial for managers at this point. Triangulation method would also be more valuable so as to understand the psychographics of the socially conscious consumers and their deeper insights.

Discussion and Conclusion
Although CSR has been a topic of interest since 60’s less attention has been paid to the study of customer perceptions of CSR (Perez and Bosque, 2015). Moreover, the existing literature show that results are conflicting regarding consumers’ responses towards socially responsible companies. Almost all knowledge about socially responsible consumer behavior is based on studies on the long rich countries (Cotte et al., 2009). Moreover, most of the past studies demonstrated that demographics has significant influence over socially responsible behavior. The aim of this empirical study is to delineate whether the demographics are still a good indicator for this purpose in an emerging country context.
Even though the data collected from a well-educated population the results are valuable for marketers. At first the results have reveal that Turkish social media users have positive intention to support the ethical, respectful and socially conscious brands/products/corporations. So being socially conscious will be valuable for differentiation, enhancing loyalty and brand equity in the mid-run.

Another managerial implication is that social media users are aware and have high level of willingness in supporting CSR initiatives thus this medium would be beneficial for marketers while building communication strategies.

On the other side, the results have demonstrated that demographic characteristics are no longer relevant indicators in profiling socially conscious consumers except gender. Thus, the market segmentation based on demographic characteristics is not enough alone for the design of CSR and communication strategies in an emerging context. Personal values and personality or psychographic characteristics would be more beneficial for managers. In this regard, the findings are consistent with the most recent CSR studies demonstrating that customer demographic characteristics are no longer sufficient to characterize customer behavior (Roberts, 1996; Laroche et al., 2001).

This may be a result of the pressure adopted by the media and governmental institutions such as schools and Ngo’s. The ecological problems are being discussed more often in schools and children are very much aware and probably discuss these issues at home also. At this point especially well educated parents might feel a pressure to behave according to their children’s wills about environmentalism or would like to be a good role model to their children. The negative consequences of pollution or non-environmental consumption started to take place more in media as well. The population at any age and education level are more aware about the ecological problems of the world. Finally, the corporations are also more conscious about social responsible production and the protection of environment thus they are paying more attention to inform their target consumers regarding their green initiatives thru several medium. As a result, the population is more aware about the fact when compared to last decade. Researches demonstrated that awareness is increasing green attitude and behavioral intention of consumers (Lee, 2009, Rahbar and Wahid, 2011, Lee 2008; D’ Souza 2006).

These analyses will generate great value for managers and businesses that can use the findings to design more effective CSR and communication strategies based on customer segmentation.

It is a fact that if organizations have both economic and social responsibilities to their stakeholder especially to the consumers. Not only consumers but employees of today are more demanding regarding the environmental issues. In work attractiveness, or in other words when making a job application, it is so important for an organization have a social responsibility orientation (Sohodol-Bir, Süher, Altinbasak 2005). If consumers
are well acknowledged, during purchase decision making process they have positive intention in choosing socially responsible products and paying premium (Sen and Bhattacharyya, 2001; Kotler and Lee, 2005; Dastous and Legendre, 2009). On the other hand, the institutions such as governments, media or schools are supporting environmentalism more as a result a cohort of green youngsters is grooving.

Thus the companies that are investing upon CSR initiatives will likely to be chosen by both by consumers and employee candidates more which in return increase the brand image, reputation and margins.

REFERENCES


