Chapter 14

The Impact of Consumer Values and Perceived Corporate Social Responsibility on the Attitude towards Genetically Modified Food: Implications for Private Branding Strategies

Giovanni Pino
University of Salento, Italy

Juan José Blázquez-Resino
University of Castilla-La Mancha, Spain

ABSTRACT

This study aimed to provide food retailers with suggestions useful to design effective private brands. To this end, it addressed the topic of GM food, which is still a highly controversial issue, especially in Italy. The study tested, in particular, a research framework hypothesizing that consumer attitudes towards store-branded GM foods are affected by their values and perceptions about the Corporate Social Responsibility (CSR) of retailers selling these products. A survey conducted on a sample of 260 Italian consumers, revealed that: self-transcending values (benevolence, nature protection) drive consumers to believe that GM food retailers are committed to economic CSR; conservative values (traditions, security) drive consumers to believe that GM food retailers are committed to legal CSR; perceived legal and philanthropic CSR favorably affect consumer attitudes towards store-branded GM foods. The study discusses these results and highlights their practical relevance for the private branding strategies of food retailers.

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INTRODUCTION

As retailers continue to improve the quality and variety of their offerings, private brands are increasingly becoming a strategic aspect of the competition among these companies. In the field of grocery retailing, private brands have evolved from a way to compete on price by selling low quality products to a brand category per se (Johansson & Burt, 2004; Martínez-Ruiz & Ruiz-Palombino, 2014; Rubio et al., 2014). Indeed, as soon as retailers realized that private brands might contribute to differentiate their brand images from those of competitors’, and that brand image has a crucial role in fostering store loyalty, these brands have become a strategic element of a more complex branding strategy. Private brands are now considered as a sort of ambassador of a retailer’s values reflecting not only its market orientation, but also the culture and the ideological orientation – i.e., the values – of its customers (Mejri & Bhatli, 2015). Such brands have become not separable from the identity of a retailer and its customers, thus determining a sort of “self-brand” connection, i.e., consumers’ tendency to incorporate a brand into his/her self-concept (Ferraro et al., 2013; Escalas, 2004).

Effective private branding strategies ground, however, also on the acknowledgment of consumer beliefs about a retailer’s capacity to act in a responsible way, by responding to its customers’ concerns and contributing to society’s wellbeing (Carrero & Valor, 2012; Anselmsson & Johansson, 2007). Such a capacity is acquiring increasing importance for food retailers because, on the one hand, due to the recent economic crisis, consumers feel the necessity to limit their expenses on grocery products (cf. Kaswengi & Diallo, 2015). On the other hand, however, due to the frequent occurrence of food scandals (e.g., outbreak of bacterial diseases, food contamination events, etc.) raising scepticism towards new food products, such as those containing Genetically Modified Organisms (GMOs), consumers also want to purchase good quality and safe products.

It the next few years, foods containing GMOs – commonly known as GM foods – will probably become more and more available to consumers as, in spite of some concerns about their healthfulness and ethicality, their production continues to rise worldwide (James, 2015). Retailers that are currently choosing (or will choose in the future), to sell such products, possibly through their own brands – henceforth GM food retailers – necessitate, therefore, to adopt opportune branding strategies to address the aforementioned concerns and be perceived as socially responsible citizens.

The study reported in this chapter addresses this topic through an empirical research that investigates the impact of consumer values and perceptions of the CSR orientation of GM food retailers on consumer attitudes towards store-branded GM foods, and seeks, in this way, to obtain relevant indications for the effective design of private branding strategies (Herstein & Gamliel 2006; Herstein et al., 2014). The research was conducted in Italy, a country where food retailers have traditionally been reluctant to sell GM foods but that, by virtue of the ecological and economic benefits of GM food production – for instance, reduced use of pesticides, and higher crop yield (Suslow et al., 2002) – could witness an increment of GM food market in the next future.

The chapter unfolds as follows: in the next sections, we will review the literature on consumer attitudes towards GM foods, discuss the role of private brands in GM food consumption, introduce the concepts of CSR and consumers’ values. Next, we will present our research hypotheses and the adopted methodology. Finally, we will interpret the results of the study, discuss the implications for food retailers, and propose some avenues for future research.