Consumers Perception of Corporate Social Responsibility: Empirical Study in Romanian Retail

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ABSTRACT

To build a better and more profitable corporate image, Western firms have been investing in social responsibility. The Romanian consumer has fairly recently been exposed to this holistic marketing concept since the Revolution of 1989, and in this regard, in this article, the authors verify conventional corporate social responsibility principles of building customer loyalty as well as goodwill from stakeholders. The paper explores the competitive advantage and its various components in which companies make use of marketing instruments that influence CSR activities of retailers.

Keywords: Corporate Image, CSR Activities, Customer Loyalty, Romanian Consumer, Social Responsibility

INTRODUCTION

In the fall of 2009, Romania along with other nations in Eastern Europe, formerly known as “Soviet satellites” celebrated twenty years since the fall of communism. Most experts agree that the Revolution of 1989 that swept across the region was not necessarily an overwhelming rejection of the ideological or the political system as much as it was a longing for a market-based economy and the economic prosperity it promised to bring. Although the transition from a centralized economy is not entirely completed, Romania is enjoying western-like market economy with numerous private firms – national and international – competing for the ever-growing consumer market of the nation.

In this new environment, where the Romanian firms have not only escaped centralized planning but quite the contrary joined the largest consumer market in the world, notably the European Union, the issue of corporate social responsibility is both a challenging new concept and a required competitive strategy. Moreover, the multinationals who have entered

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the Romanian market in the past twenty years have been faced with new definition of corporate social responsibility, whether to be equally or less social responsible in Romania that in their home country.

Traditionally, the concept of social responsibility is the concern exhibited by a firm towards the interests of the greater society and the care that is gives towards its employees, clients, suppliers and the community as a whole including the environment. Through their day-to-day activities and well-targeted public relations (PR) strategies, firms seek to improve their overall image (Gilbert, 2003), first in the minds of their targeted consumers, but also the other stakeholders that can have an impact upon the success of their business. Implicitly this strategy of corporate identity building entails the creation of a likeable climate and of positive and profitable respect from the community the firm considers as its stakeholders (Liebmann et al., 2008). Various components make up the corporate social responsibility as viewed through the lens of “competitive advantage” creation. Thus, competitive advantage is determined by the socially responsible manner in which the company makes use of the marketing instruments.

Our paper will proceed in the following manner. First a contextualized literature review is offered, followed by the introduction of the CSR concept in the Romanian retail context. Then the promoting of CSR system through the marketing instruments is considered. The paper continues with the operationalization of the constructs and research methodology followed by conclusions and recommendations for future research.

The first objective of the paper is to distinguish among perceptible characteristics of the marketing instruments of a retailer. The second objective is to determine how the marketing instruments influence the CSR activities of the retailer.

CONTEXTUALIZED LITERATURE REVIEW

The European Commission highlights the main three factors that each firm must take into account when it is seeking to obtain a sustainable position on the market: (1) development from a social perspective, (2) development from an economical perspective and (3) development from an ecological perspective (KOM, 2001).

According to Meffert et al. (2005) corporate social responsibility is a holistic approach where a firm considers all its social, ecological and economical opportunities to voluntarily take upon itself the responsibility of its community and to maintain the legal norms (Herchen, 2007).

The concept of corporate social responsibility in the Romanian academic literature has been newer but perhaps more vigorous (Oprea, 2005). The general agreed definition has been the overall attitude that a firm exhibits towards the community in its profit maximization efforts by behaving ethically, paying special care to the environment and taking into consideration the needs and interests of all direct or indirect partners (Oprea, 2005).

In the new borderless global economy the issues of corporate social responsibility becomes even more complex by the fact that the term, “community” must be properly addressed. Who does a multinational corporation feel it has to be social responsibility towards? Obviously all the social activities can contribute to the improvement of the overall image and the reputation of the company, but how feasible is it that a multinational would be just as socially responsible in its host country as it is in its home country? Further more what about the differences in understanding of what social responsibility is in various parts of the world? Do consumers uniformly reward a uniform corporate social responsibility?

According to Oprea (2005), the Romanian understanding of corporate social responsibility includes, but is not limited to the following:
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