

RESEARCH ARTICLE

Spanish Consumer's Perception of Corporate Social Responsibility

Patricia Martínez García de Leaniz*, Ignacio Rodríguez del Bosque Rodríguez

Universidad de Cantabria, Facultad de Ciencias Económicas y Empresariales, Santander, Cantabria.

*Correspondence E-mail: martinezrp@unican.es

Abstract

The findings of this paper increase our comprehension of Corporate Social Responsibility (CSR) from the consumer's perspective in a Spanish context. Based on primary data collected via personal surveys in Spain we provide evidence to show that Spanish consumers are supportive of CSR. We also show that sustainable development theory can be applied in Spain. We evaluated the importance placed by Spanish consumers on three responsibilities —economic, social and environmental— and find that economic responsibilities are most important while social and environmental responsibilities are of least importance. The nature of these divergences is relevant for companies incorporating CSR in their corporate agenda for strategic reasons.

Keywords: *Consumer's perceptions, Corporate social responsibility, Spain, sustainable development theory, Spanish consumers.*

Introduction

Corporate social responsibility (CSR) has become a mainstream topic, rising to a corporate priority in management [1]. The increasing number of articles in leading journals to the area provides evidence of this effect. In the 1980s and 1990s, academic literature regarding CSR focused on the corporation's engagement in social responsibilities from a business approach [2]. Particularly, in 1990s academics have focused on an important stakeholder of CSR- the consumer-, interest that has been increasing [3-6]. Although these studies highlight the relevance of CSR in the consumer's evaluation of companies and their purchase decisions, there is a tendency for the focus to be on American consumers [7]. Apart from the cross country study by Bigné et al [8] and the research by Pérez and Rodríguez del Bosque [9] we are unaware of any academic research which has considered CSR from a Spanish consumers perspective. By analyzing consumers' perceptions regarding CSR, this paper attempts to provide preliminary findings into the attitude of Spanish consumers of CSR. We use Bigné et al. [8] as the basis for our research since it considers consumers' perceptions of CSR in Spain and three Ibero-American countries —Argentina, Chile and Portugal— using a sustainable development approach. Based on primary data collected we provide insights into the following questions: (1) *How do Spanish consumers perceive CSR?* (2) *What CSR dimensions become more important for Spanish*

consumers? The findings of this study are important not only to Spanish organizations since they attempt to incorporate CSR as a strategic element in their corporate policies, but also to Asian business as they are investing large amounts of money into Spain to take advantage of the rapidly increasing consumer market. So, after a literature review of the concept of CSR and the consumer's perspectives of CSR it is described the methodology used in the empirical study. Then the results are presented. Finally, main conclusions are presented along with managerial implications, limitations and possible further research.

Literature Review

Corporate Social Responsibility

Corporate Social Responsibility (CSR) has risen up the corporate agenda of many organizations. However, it is difficult to provide a precise and comprehensive definition of the term. The problem here is that CSR means something, but not always the same thing to everybody [10]. To difficult this situation, some researchers understand CSR as synonymous with different concepts such as sustainable development or triple bottom line [11]. The lack of an all-embracing definition of CSR causes a diversity and overlap in terminology, definitions and models hampering academic debate and ongoing research [12]. In this sense, CSR is a custom-

made process, so that, each company should choose which concept and definition is the best option, matching the companies' aims and intentions and aligned with the company's strategy, as a response to the circumstances in which it operates [13]. In academic literature it is possible to find a sequence of approaches, each including and transcending one other, trying to show responses to the question to whom an organization has a responsibility. The *shareholder approach* represents the classical view on CSR [14]. The agency theory [15, 16] is the most popular way to articulate this reference. However, today it is quite accepted that shareholder value maximization is not incompatible with satisfying certain stakeholder's interests. Another approach that has increased knowledge in the field of CSR is based on the postulates of the *stakeholder's theory* [17]. According to this proposal companies are not responsible to the global society as a whole, but aim to respond to different constituencies such as consumers, employees, shareholders, the environment, and the market, among others. As in the shareholder approach, this model is not without its critics and there are studies that indicate its limitations since this theory assumes that companies adopt a reactive approach adapting its behavior to salient groups' expectations with the purpose of gaining legitimacy. Several authors consider CSR as a proactive and voluntary attitude, instead a self-interest reaction to external and internal pressures [18]. Companies should not strictly respond to social norms to obtain legitimacy, but to be a good citizen on an altruistic manner and not merely be guided by self-interest, trying to optimize social welfare even at the expense of their own benefits [19]. Finally, the *societal approach* [11; 12] is the broader view on CSR. According to this approach, companies are responsible to society as a whole, of which they are an integral part. Companies must operate by public consent in order to serve the needs of society in a constructive way [11]. A pragmatic proposal within this societal approach is to extend the traditional bottom line accounting to a "Triple Bottom Line" that would include economic, social and environmental aspects [20]. From this perspective, the standard line of prosperity – benefit – should be parallel to the lines of planet – environment – and people – society –. This model has been used both for the management of CSR concept and at its operational level. This approach is closely linked with the concept of sustainability [11]. Not surprisingly, sustainability enables the conversion of the traditional bottom line of profitability for the triple bottom line performance [18]. This model is, a priori, suitable for this

investigation because it can lead to improved management and operational objectives [21]. In this sense, CSR principles have much in common with those of sustainability, and both terms are used interchangeably in many cases [13]. A company that pursues sustainability is, by definition, socially responsible. In general, sustainability and CSR refer to company activities, voluntary by definition, demonstrating the inclusion of social and environmental concerns in their business operations and in interactions with stakeholders [11]. Sustainability, however, is considered the ultimate goal of organizations, meeting the needs of the present generations without compromising the ability of future generations to meet their own needs [22]. CSR therefore is understood as an intermediate stage where companies try to balance the triple bottom line performance. This proposal involves a disaggregation of dimensions distinguishing sustainability from responsibility. Thus, the three aspects of sustainability (economic, environmental, and social) can be translated into a CSR approach that companies have to be concerned with.

Customer Perspectives of CSR

The main question here is the following: *Do consumers care about socially responsible initiatives?* In this sense, Auger et al. (2007) [23] explain that a combination of more product and service choices, wealth, education and the increasing availability of responsible products led to a more socially conscious consumer. In a MORI survey of 12,000 customers across 12 countries in 2000, 70% of customers indicated that a company's commitment to CSR is important when buying a product or service (www.mori.com). However, more recent studies are less convincing. A study undertaken in the UK, US and Japan showed that customers care about CSR but this is not the primary concern when purchasing [24]. Apart from price and quality, consumers are concerned for how they are treated. Even the Centre for Corporate Citizenship at Boston College report that *"too often, business and social activist take consumer surveys at face value, believing that if people say that they would like to purchase socially responsible goods, they will follow through when it comes time to make the purchase"* (www.csreurope.org). Despite significant research efforts to analyze the influence of CSR from the consumer perspective, there is still no consensus over the dimensions in the CSR perceived by the consumer. Among the conceptual proposals that have obtained most support from academics four different proposals are highlighted here. One the works that has

Table 1. Factor analysis

Latent variable	Measured variable	Standardized Lambda	R2	Cronbach's α	AVE	Goodness of fit
Economy	CSR1	0.78	0.61	0.90	0.68	S-B χ^2 (113gl) 1185.51 (p=0.000)
	CSR2	0.86	0.74			
	RSC3	0.83	0.70			
	CSR4	0.83	0.69			
	CSR5	0.71	0.51			
Society	CSR6	0.71	0.50	0.86	0.52	NFI 0.92
	CSR7	0.78	0.60			
	CSR8	0.65	0.42			
	CSR9	0.70	0.49			
	CSR10	0.76	0.58			
	CSR11	0.74	0.55			
	CSR12	0.75	0.57			
Environment	CSR13	0.73	0.53	0.98	0.551	NNFI 0.91 CFI 0.93 IFI 0.93
	CSR14	0.72	0.52			
	CSR15	0.80	0.63			
	CSR16	0.78	0.61			
	CSR17	0.77	0.59			

become increasingly accepted and has been used by several authors, both theoretically and empirically, has been that proposed by Carroll in 1979 [25]. Carroll argues that CSR includes society's economic, legal, ethical, and philanthropic or voluntary expectations of organizations at a given point in time. According to this model, there are four interrelated dimensions of CSR. The economic dimension refers to society's expectation that companies be profitable and that they are rewarded for their efficiency and effectiveness in the production and sale of goods and services. The legal dimension is understood as the societal expectation that businesses achieve their financial goals within the confines of the legal framework. The ethical dimension refers to society's expectation that business practices meet certain ethical standards. Finally, the discretionary or philanthropic dimension relates to society's expectations that companies will voluntarily involve themselves in roles to address social needs. Secondly, Brown and Dacin (1997) [3] propose different types of associations perceived by consumer with regard to the company. The term corporate associations is a generic label for all the information about a company that individuals hold. Corporate associations may include perceptions, inferences, beliefs, a person's knowledge of his/her prior behavior about the company, moods and emotions experienced by the person with respect to the company, and overall and specific evaluations of the company and its perceived attributes [3]. In the academic literature several types of corporate associations have been described. However, two categories are considered of particular relevance to the company's stakeholders, especially for consumers. First, *corporate ability associations* are those associations related to the company's expertise in producing and delivering its outputs. On the other

hand, *corporate social responsibility associations* reflect the organization's status and activities with respect to its perceived societal obligations. A third approach is based on the postulates of the theory of interest groups [17]. According to this proposal, the CSR perceived depends on those interest groups that benefit the most from them and are the main target audience of each action. Following this approach, the literature has identified various dimensions of CSR: consumers, employees, shareholders, society in general, the environment, and the market, among others. Finally, the sustainable development model is based on the "Triple-Bottom-Line" approach [20]. From this perspective, it is possible to understand CSR as the integration by companies of social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis [26]. This approach integrates economic, and non-economic CSR matters in two dimensions: social and environmental issues. With regard to this, the economic dimension of CSR refers to a firm's ability to create value and enhance financial performance [27]. The social domain describes the consideration of societal issues like tolerance towards others or equal rights [28]. Finally, environmental dimension of CSR can be labeled as the maintenance of natural capital [28]. Recently, several authors have emphasized the aforementioned lack of research focusing on the consumer from this perspective [29]. Furthermore, this approach has contributed to improve the understanding and clarity of CSR [30]; in addition to being used both for the management of this concept and at the operational level. In summary, a review of the literature reveals the existence of different approaches to clarify the dimensions in the CSR perceived by the consumer. More importantly, the different perspectives on the concept of

sustainable development have mainly been developed in a theoretical manner [11]; thus, there is a need to establish practical proposals to CSR that addresses this conceptual framework.

Methodology

Our investigation to find the answers to the questions posed previously were based on data generated by means of personal surveys. The questionnaire relied heavily on the one developed by Bigné et al. (2005) [8]. The questionnaire attempts to develop measures of consumers' general support of socially responsible initiatives and consumers' evaluation of CSR, in particular the three dimensions proposed in the sustainable development model. A pilot study was conducted involving 18 university students to ensure the applicability of the questionnaire. Minor adjustments were observed and made. The instrument comprises 17 statements which are provided in the Appendix 1. Respondents were asked to rate these statements on a 7-point scale, in which a score of 1 indicates "*strongly disagree with the statement*", and a score of 7 signifies "*total agreement with the statement*". To design the research sample, a non-probability sampling procedure was chosen [31]. Specifically, a convenience sample was used in the Autonomous Community of Cantabria (Spain). Thus, to ensure greater representation of the data, a multistage sampling by quotas was made by characterizing the population according to two criteria relevant to the investigation: the gender and the age of the respondent, which is included in the Census Bureau (2010). From the target sample of 400 questionnaires, 382 completed questionnaires were completed, 18 were discarded as incomplete. Hence, the final response rate was 95.5 %. Data was gathered during the month of April 2011 in the Autonomous Community of Cantabria (Spain). The final sample consist of 186 females (49%) and 196 males (51%); 38 under the age of 25 (10%); 74 at the ages of 25-34 (19.5%); 71 at the ages 35-44 (18.5%); 76 at the ages 45-54 (20%) and 123 over the age of 55 (32.1%).

Results of Analysis

Respondents' evaluation of CSR was based on their view of what they believe business do. Seventeen items were employed. The first five items related to activities aimed at the economic dimension of CSR. The next six items related to

the social dimension of CSR. Items 11 to 17 related to the environmental dimension of CSR (See Appendix 1). Having dropped one item with low factor loading an identical set of factors as sustainable development model emerged from our sample. Overall, these data satisfy the fundamental requirements for factor analysis [32]. The items statements were consistently regrouped into three factors: ECO, SOC and ENV, measuring the degree to which organizations perform their functions in economic, social and environmental manner, respectively (See Table 1). The goodness of fit of the analysis was verified with the Satorra-Bentler χ^2 (S-B χ^2) ($p < 0.05$) and the comparative fit indices NFI and NNFI, IFC, and IFI, which are the most common measures for confirmatory tests [33]. All values were greater than 0.9, indicating that the model provides a good fit. We supplement our findings from the descriptive statistics provided above with factor analysis. In a first approximation, and without reference to the dimensions of CSR, the most highly rated aspects were the following: ensuring the survival of the company and its success in the long term (meanCSR4 = 5.76), achieving long-term success (meanCSR2 = 5.66), obtaining the greatest possible profits (meanCSR1 = 5.66), and improving the financial performance of the company (meanCSR3 = 5.51). In turn, the aspects rated lowest by the interviewees were the following: the company's role in society beyond the mere generation of profits (meanCSR7 = 3.71) and helping to solve social problems and conduct annual environmental audits (meanCSR16 = 3.67). Factors such as providing training and promotion opportunities for employees (meanCSR9 = 4.24) and reducing the consumption of natural resources (meanCSR12 = 4.12) occupied a middle ground in customer perceptions of tourism services. A means test of each of the dimensions of the concept of CSR was performed to ensure that the above differences among the dimensions were significant. The analysis shows that there are significant differences in the ratings customers attach to each of the dimensions ($p < 0.05$). Comparing the ratings for each of the dimensions shows that customers give a higher positive rating to corporate actions that ensure sustainable economic practices over the long term. The perception of corporate performance with regard to social and environmental factors is significantly lower.

Table 2: Differences between responsibilities

Dimension	Mean	Std. deviation	Signification
Economic	5.64	1.12	0.000
Social	4.08	1.11	0.000
Environment	4.00	1.19	0.001

Following the proposed dimensioning in this paper, the dimensions of CSR with the highest ratings are the economic (mean Economic = 5.64) and social dimensions (mean Social = 4.08), and the lowest-rated dimension is the environmental (mean Environmental = 4.00) dimension, indicating an area of significant opportunity for management. The aspect with the lowest score in the economic dimension relates to improving the economic performance of the company (meanCSR3 = 5.57), and the highest-rated aspect is the assurance of the organisation's long-term survival and success (meanCSR4 = 5.80). Similarly, the lowest-ranked aspect in the social dimension is helping to solve social problems (meanCSR10 = 3.74), and the aspect with the highest score is providing fair treatment for employees without discrimination or abuse and regardless of gender, race, origin, or religion (meanCSR8 = 4.68). In the environmental dimension, conducting annual environmental audits is the aspect with the lowest score (meanCSR16 = 3.69), and recycling is the aspect with the highest average score (meanCSR13 = 4.48). Thus, each of the aspects with the lowest score in each of the CSR dimensions highlights important areas of opportunity for the managers.

Conclusions

Are Spanish consumers supportive of CSR? Our research answered this question by "Yes, they do". The mean response of above 4 (out of 5) in CSR dimensions is an indicator that CSR is important among Spanish consumers. Our results confirm that Spanish consumers are able to differentiate among the economic, social and environmental dimensions of CSR. Thus, the theoretical proposal of sustainable development is validated in the present study, as the customer perception of socially responsible companies includes economic, social, and environmental aspects. With regard to this, the acceptance of an economic dimension of CSR by consumers supports previous findings. These results provide support for the works of Bigné et al. (2005) [8] which contrasted consumers' perceptions of CSR in Spain and three Ibero-American countries —Argentina, Chile and Portugal— using a sustainable development approach, particularly in the social and environmental dimensions. Therefore, this study contributes to the advancement of knowledge in the field of CSR through its practical application of concepts of sustainable development that have mainly been theoretical to date. In addition, the specific perceptions of different stakeholders of the responsibilities that must be assumed by a company have rarely been discussed in academic research. Our study shows that economic

responsibilities are considered to be the most important responsibility of the company from a consumer perspective. In this regard, Spanish consumers are consistent in their evaluations to their European and American counterparts, as suggested by previous studies [34]. Thus, we could generalize that Spanish consumers understand economic responsibilities from a broader perspective and not only in terms of profit maximization. It is also interesting to highlight that social and environmental initiatives are least important for Spanish consumers although these dimensions may be the most general form of CSR. In view of the assessment of the social and environmental dimensions, our findings highlight several areas of opportunity for improvement with important implications for managers. Firstly, issues related to corporate actions that directly benefit society, such as helping to solve social problems, playing a role in society that goes beyond mere profit generation, actively collaborating in cultural and social events (music and sports, among others), or committing to improving the welfare of the communities in which they operate, are items that receive lower ratings by customers, indicating that companies should devote resources and effort to strengthening actions in this area. Efforts within the environmental dimension were not particularly highly rated. Items such as conducting annual environmental audits, participating in environmental certifications, developing renewable resources for production processes compatible with the environment, communicating environmental practices to customers, and attempting to protect the environment, all received lower overall ratings. These findings should encourage businesses to strengthen ties with their customers to ensure that they are less vulnerable to changes in their local communities and to actions by competitors. Finally, to refine the findings of this study some limitations are outlined. First, the crosscutting nature of this research inhibits an understanding of the variations in the perceptions of the customers surveyed over time, suggesting that this research could be expanded by a longitudinal study. The complicated economic environment currently experienced worldwide may affect the perceptions of Spanish consumers and their ratings of the most important aspects of CSR. Second, consumer perceptions of companies' responsibilities are so diverse that one common CSR strategy across the entire Spain would not be realistic. The fact of obtaining our data in the Autonomous Community of Cantabria does not mean that the results of this research can be extrapolated to other Autonomous Communities

in Spain. By comparing other major cities within the country such as Madrid, Barcelona or Valencia, it could result in distinct perceptions among customers. Future studies need to extend

the sample of this research to include other regions in Spain and other countries in order to compare results.

References

1. Franklin D (2008) Just good business: A special report on corporate social responsibility. *The economist* 17
2. Margolis JD, WALSH JP (2003) Misery loves companies: Rethinking social initiatives by business», *Administrative Science Quarterly*, 48(2):268-305.
3. Brown TJ, Dacin PA (1997) The Company and the product: Corporate association and consumer product responses. *J. Marketing*, 61:68-84.
4. Marin L, Ruiz S (2007) I need you too!" Corporate identity attractiveness for consumers and the role of social responsibility. *J. Business Ethics*, 71(3):245-60.
5. Sen S, Bhattacharya CB (2001) Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *J. Marketing Research* 38(2): 225-43.
6. Mohr P, Webb DJ, Harris KE (2001) Do consumers expect companies to be socially responsible?: The impact of corporate social responsibility on buying behavior. *J. Consumer Affairs* 35(1):45-72.
7. Ramasamy B, Yeung M (2009) Chinese consumer's perception of CSR. *J. Business Ethics* 88:119-132.
8. Bigné E, Andreu L, Chumpitaz R, Swaen V (2005) Percepción de la responsabilidad social corporativa: Un análisis cross-cultural. *Universia Business Review* 5: 14-27.
9. Pérez A, Rodríguez del Bosque I (2011) La imagen de responsabilidad social corporativa en un contexto de crisis: El caso del sector financiero español. *Universia Business Review* 33:14-29.
10. Votaw D, Sethi PS (1973) The corporate dilemma: Traditional values versus contemporary problems. New Jersey, Prentice Hall, Englewood.
11. Van Marrewijk M (2003) Concepts and definitions of CSR and corporate sustainability: Between agency and communion. *J. Business Ethics* 44(2):95-105.
12. Göbbels M (2002) Reframing corporate social responsibility: The contemporary conception of a fuzzy notion (cited in van Marrewijk 2003).
13. van Marrewijk M, Were M (2003) Multiple levels of corporate sustainability. *J. Business Ethics* 44(2): 107-19.
14. Friedman M (1962) *Capitalism and Freedom*. Chicago: University of Chicago Press.
15. Jensen MC, Meckling W (1976) Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics* 3:305-360.
16. Ross S (1973) The economy theory of the agency: the principal's problem. *American Economic Review* 63:134-9.
17. Freeman RE (1984) *Strategic Management: A stakeholder approach*. Boston: Pitman
18. Garriga E, Melé D (2004) Corporate social responsibility theories: Mapping the Territory. *J. Business Ethics* 53(1/2):51-71
19. Falck O, Heblich S (2007) Corporate social responsibility: Doing well by doing good. *Business Horizons* 50:247-254.
20. Elkington J (1997) *Cannibals with forks: The triple bottom line of the 21st century business*. Capstone Publishing, Ltd. Oxford.
21. Kakabadse NK, Rozuel C, Lee-Davies L (2005) Corporate social responsibility and stakeholder approach: a conceptual review. *International J. Business Governance and Ethics* 1(4):277-302.
22. World Commission on Environment and Development (1987) *Our Common Future*. Oxford: Oxford University Press
23. Auger P, Devinney TM, Louviere JJ (2007) Using best worst scaling methodology to investigate consumer ethical beliefs across countries. *J. Business Ethics* 70:299-326.
24. Page G, Fearn H (2005) Corporate reputation: What do consumers really care about? *J. Advertising Research* 45(3):305-311.
25. Carroll AB (1979) A three dimensional conceptual model of corporate performance. *Academy of Management Review* 184:497-505.
26. European Commission (2001) *Corporate Social Responsibility: A business contribution to sustainable development*. Luxembourg: European Commission Directorate General for employment and social affairs. Unit D.I, Industrial Relations and Industrial Change.
27. Chabowski BR, Mena JA, González-Padrón TL (2011) The structure of sustainability research in marketing 1958-2008: A basis for future research opportunities. *J. the Academy Marketing Science* 38(1):55-70.

28. Goodland R (1995) The concept of environmental sustainability. *Review of Ecology Systems* 26:1-24.
29. Sheth JN, Sethia NK, Srinivias S (2001) Mindful consumption: A customer centric approach to sustainability. *J. the Academy Marketing Science* 39(1):21-41
30. Truscott RA, Bartlett JL, Tywoniak SA 2009 The reputation of the corporate social responsibility industry in Australia. *Australasian Marketing Journal* 17(2):84-91.
31. Trespalacios JA, Vázquez R, Bello L (2005) *Investigación de Mercados*. Thomson, Madrid.
32. Hair J, Black WC, Babin, BJ, Anderson RE (2010) *Multivariate Data Analysis*, Pearson Prentice-Hall, Upper Saddle River, NJ.
33. Uriel E, Aldás J (2005) *Análisis multivariado aplicado*. Thomson, Madrid.
34. Maignan I (2001) Consumers' perceptions of corporate social responsibilities: A cross-cultural comparison. *J. Business Ethics* 30(1):57-72.

Appendix 1: Consumer's support and evaluation of business responsibilities

Ident.	Dimension	Item
<i>I think that this company...</i>		
CSR1	Economic	Obtains the greatest possible profits
CSR2	Economic	Tries to achieve long-term success
CSR3	Economic	Improves its economic performance
CSR4	Economic	Ensures its survival and success in the long run
CSR5	Social	Is committed to improving the welfare of the communities in which it operates
CSR6	Social	Actively participates in social and cultural events (music, sports, etc.)
CSR7	Social	Plays a role in society that goes beyond mere profit generation
CSR8	Social	Provides a fair treatment of employees (without discrimination and abuse, regardless of gender, race, origin or religion)
CSR9	Social	Provides training and promotion opportunities for employees
CSR10	Social	Helps to solve social problems
CSR11	Environmental	Protects the environment
CSR12	Environmental	Reduces its consumption of natural resources
CSR13	Environmental	Recycles
CSR14	Environmental	Communicates to its customers its environmental practices
CSR15	Environmental	Exploits renewable energy in a productive process compatible with the environment
CSR16	Environmental	Conducts annual environmental audits
CSR17	Environmental	Participates in environmental certifications