

Globalization and its socio-economic consequences 2020

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THE PERCEPTION OF CORPORATE SOCIAL RESPONSIBILITY AND ITS IMPACT ON CONSUMER BUYING BEHAVIOUR IN THE PROCESS OF GLOBALIZATION

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The aim:

To determine the perception of corporate social responsibility and its impact on consumers buying behaviour in the process of globalization.

Partial goals:

- To provide the literature review on the issue.
- To analyse the perception of corporate social responsibility and its impact on consumer buying behaviour through questionnaire survey among Slovak consumers.
- To propose measures for the efficient implementation of corporate social responsibility.
- To highlight its benefits, such as strengthening the company's image, improving customer relationships, gaining their loyalty and competitive advantage.



In the current era of globalization, corporate social responsibility has been gaining an increasing attention. By implementation CSR activities into their business strategy, companies can gain positive feedback from stakeholders including consumers and thus new competitive advantage. Creating positive attitude on CSR from the consumers that subsequently can influence their buying behaviour depends on many factors such as how the companies understand and perform their CSR initiatives and finally, how they communicate them to stakeholders.



Corporate Social Responsibility (CSR)

„...is the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society.“ (Bowen, 1953)

„...represents a set of management practices of organization that minimizes negatives while maximizing the positive consequences of its behaviour on society.“ (Bussard et al., 2005)

„...is a voluntary integration of social and environmental aspects into day-to-day business operations and interactions with stakeholders.“ (Chen & Gavius, 2015)

„...is a concept whereby the company integrates social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis.“ (European Commission)



Awareness of customers about the company's activities is a condition for it to be possible to evoke an attitude towards the company and thus influence consumer buying behaviour. The same awareness is influenced by CSR activities, but at the same time it is necessary for customers to know about these activities. Therefore, when examining shopping behaviour, it is necessary to first start by examining customers' awareness of CSR activities.



Methods:

General scientific methods were applied for the processing of the data as well as mathematical-statistical methods to evaluate the data collated from the results of the questionnaire survey and to statistical hypothesis testing.

Questionnaire survey:

- **Aim:** To determine the perception of corporate social responsibility and its impact on consumer buying behaviour in Slovak conditions
- **Number of respondents:** 532
- **Time required for the survey:** January - March 2020
- **Form:** questionnaire method through e-mail communication

The questionnaire was formed of three parts:

1. The first part – focused on the general socio-demographic profile of respondents.
2. The second part – devoted to determine the perception of corporate social responsibility by Slovak consumers.
3. The third part - dealt with the impact on consumer buying behaviour in Slovak conditions.



Methods:

Reserch hypotheses:

- In order to achieve the main aim of the article, based on the theoretical background and survey results, research hypotheses are formulated:
 - *Hypothesis 1:* More than 50% Slovak consumers know the concept of CSR.
 - *Hypothesis 2:* More than 50% Slovak consumers consider the use of CSR in the company to be a factor of strengthening the company's image.
 - *Hypothesis 3:* When making purchasing decisions, 50% Slovak consumers prefer products of the socially responsible company.
- The marginal rate 50% was set as the expression of the simple majority.
- The test statistic for hypotheses 1 – 3 was calculated by using the method testing a single proportion by one-tailed testing.
- Significance level α was determined at 0.05.



Results:

Results of questionnaire survey focused on the perception of corporate social responsibility and its impact on consumer buying behaviour in Slovak conditions:

- 76% respondents know the CSR concept;
- 71% respondents consider the implementation of CSR as a necessary part of company's business strategy;
- the greatest benefits of implementation CSR in companies include strengthening the company's image (68% respondents), improving customer relationships (52% respondents), gaining customer loyalty (41% respondents) and increasing competitive advantage (39% respondents);
- as the most important area of CSR, most of the respondents (57%) indicate the environmental responsibility, next it is the social responsibility (33%) and the least important area is the economic responsibility (10%);
- as the most important activities in environmental responsibility, respondents indicate eco-friendly behaviour (76%), the social responsibility includes employee care and their safety (62%; and in economic responsibility, respondents consider making profit in an honest and ethical manner (69%);
- when making purchasing decisions, 52% of Slovak consumers prefer products of the socially responsible company, especially products such as food, cosmetics, drugstore, cloths and some services (banking services, telecommunication services and transport services).



Results:

Verification of statistical hypotheses:

Table 1 shows, that in hypotheses 1 and 2 the inequality applies, so we reject the hypothesis H_0 , i.e. accept the alternative hypothesis H_1 . In the case of hypothesis 3, the inequality does not apply, so we do not reject the hypothesis H_0 , we accept it.

Table 1. Verification of statistical hypotheses

Calculation of the sample proportion: $p = \frac{m}{n}$	Satisfaction of the condition $n * \pi_0 * (1 - \pi_0) > 5$	Test criteria	Critical field	Inequality	Acceptance or rejection of the hypothesis
Hypothesis 1: H ₀ : 50% Slovak consumers know the concept of CSR. H ₁ : More than 50% Slovak consumers know the concept of CSR.					
p = 0.76	133 > 5	11.994	1.645	11.994 > 1.645	H ₀ rejected
Hypothesis 2: H ₀ : 50% Slovak consumers consider the use of CSR in the company to be a factor of strengthening the company's image. H ₁ : More than 50% Slovak consumers consider the use of CSR in the company to be a factor of strengthening the company's image.					
p = 0.68	133 > 5	8.303	1.645	8.303 > 1.645	H ₀ rejected
Hypothesis 3: H ₀ : When making purchasing decisions, 50% Slovak consumers prefer products of the socially responsible company. H ₁ : When making purchasing decisions, less than 50% Slovak consumers prefer products of the socially responsible company.					
p = 0.52	133 > 5	0.923	-1.645	0.923 < -1.645	H ₀ accepted

Source: Own processing.



Discussion:

Based on the analysis and survey results, it is obvious, that:

- the majority of Slovak consumers know the concept of CSR,
- they are aware of benefits which result from the implementation of CSR for companies, and thus most of them consider the use of CSR in the company to be a factor of strengthening the company's image,
- when making purchasing decisions, 50% Slovak consumers prefer products of the socially responsible company, especially in the case of food, cosmetics, drugstore, cloths and some services (banking services, telecommunication services and transport services).



Discussion:

The disputed universal applicability and deviations of these survey results from previous researches is linked to the fact that, although globalization has led to a radical increase in the degree of interdependence of national economies, it is necessary to accept the regional socio-cultural specificities of the market. This is because differences arise between nations due to different cultures, but also socio-political events in a given country or in the context of wider regional groupings.

Proposal for improvement: the effective communication focused on improving the awareness of customers about the company's socially responsible activities that could evoke a positive attitude towards the company and thus influence consumer buying behaviour.



Conclusions:

The most visible benefits of efficient implementation of CSR include:

- **strengthening the company's image,**
- **improving customer relationships,**
- **gaining their loyalty**
- **and competitive advantage.**



THANKS FOR YOUR ATTENTION.

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