CSR Communication and perceived value: The role of consumer’s perception in food purchasing decisions

Jacqueline MARTINEZ-THOMAS

Doctorant

Sup de Co Montpellier- Université Montpellier 2

2300 Avenue des Moulins

34185 Montpellier

Tel.0467102511

E-mail: jacqui@boysselle.com

Philippe AURIER

Professeur

E-mail: Philippe.aurier@univ-montp2.fr

Gilles SÉRÉ DE LANAUZE

Maître de conférences

E-mail: gilles.sere-de-lanauze@univ-montp2.fr
IAE de Montpellier - Université Montpellier 2

Place Eugène Bataillon

34095 Montpellier cedex 5
CSR communication and perceived value: The role of consumer’s perception in food purchasing decisions

Abstract

Corporate Social Responsibility (CSR) has been studied by academics and business leaders and they have proven that consumers develop a positive attitude of companies that behave in socially responsible ways. However, there are no current studies on the impact of CSR communication and customer’s perceived value. The aim of this paper is to better understand how CSR communication has a positive impact on the customer’s perceived value. Our research leads us to believe that a positive consumer perception about CSR communication on food products, can determine their purchasing decision. In order to enhance understanding with regards to our research question, and confirm our hypothesis, our qualitative data has been integrated with the empirical model of customer value for consumer markets by (Lai, 1995). Ten interviews were conducted with consumers who were particularly aware of the product value when making food purchasing decisions.

Key Words: CSR, CSR communication, Consumer experience, Perceived Value.

Communication Sociétal et Valeur Perçue : L’impact du discours responsable sur la consommation agroalimentaire du consommateur.

Résumé

Le concept de Responsabilité Sociale des Entreprises (RSE) a été étudié par plusieurs chercheurs et chefs d’entreprise ; ces travaux montrent que les consommateurs perçoivent plus positivement les entreprises agissant de manière responsable, mais n’étudient pas spécifiquement les effets de la communication sociétale, notamment sur la valeur perçue du consommateur. Le but de cet article, est de mieux comprendre comment la communication en matière de RSE à un impact positif sur la perception de la valeur du consommateur. Notre principale hypothèse est : la manière dont la communication RSE est perçue par les consommateurs peut déterminer leur décision finale d’achat. Le cadre conceptuel du model de la valeur du consommateur des marchés, étudie par Lai (1995), est pris en compte comme
Introduction

For the last few decades, companies have been understood as commercial entities that focus only on economic success. However, recently, as a result of the spread of globalization and in response to social and environmental issues, there is a movement towards socially responsible behavior. Today, consumers have increased their interest in their own well-being and in their family’s desire to become more responsible food consumers. For example, public awareness campaigns, by organizations such as the World Health Organization, from United Nations, have sensitized people to the global problem of obesity and have thus triggered a concern about their food habits by most consumers. As a result, the consumption of organic food has drastically increased over the last two decades. In fact, organic food and farming is now found in more than 100 countries including developing and middle income countries (Sirieix et al, 2007). As a result, food companies have developed an interest in producing and communicating in a more responsible way. According to Battacharya and Sen (2010), by engaging in Corporate Social Responsibility (CSR) activities, companies will not only generate positive stakeholder attitudes and better support behaviors (e.g. purchasing, seeking employment, investing in the company), but also, in the longer term, improve their corporate
image, strengthen stakeholder relationships, and enhance stakeholder advocacy behaviors. A growing body of research shows that a company’s positive record of CSR communication can lead to loyalty, and in some cases, can turn customers into brand ambassadors who may be willing to even pay higher prices to support the company’s social and environmental programs (Sen, and Bhattacharya,2001;Greening and Turban ,2000). The trend of implementation of CSR programs in companies over the last few years has been extremely positive. For example, in 1977 less than half of the companies which appeared in the well known Fortune Magazine have adopted CSR programs. However, by 1990, close to 90% of Fortune 500 firms had adopted CSR programs as an essential element of their mission statement (Boli and Hartsuiker, 2001). In line with these findings, Holbrook (1994, 1999) describes perceived value as a fundamental outcome in any marketing activity. As a result, firms are more willing than ever to identify which actions will allow them to improve the perceived value of their products in order to benefit from a higher purchasing rate, even when strong economic constraints may exist.

1. Literature Review

1.1 CSR Literature Review

According to Lewis, (1976), CSR had its first antecedents in 1917 with Henry Ford in the state of Michigan. He indicated that the company’s mission was to: “do as much as possible for everybody concerned, to make money and use it… and incidentally to make money… Business is a service not a bonanza”. However, it was not until the 1960’s and 1970’s that CSR found its renaissance with Bowen (1953) who was named, “The Father of Corporate Social Responsibility” according to Carroll (1979, 1999). Bowen’s main question was: “What responsibilities to society may businessmen reasonably be expected to assume?” Consequently, he published the first book about CSR called “Social responsibilities of the
Businessmen” in 1953. Also, he was quoted in Fortune Magazine (1953) saying: “Businessmen are responsible for the consequences of their actions in a sphere somewhat wider than that covered by the theory profit-and loss”. As a result, the majority of businessmen agreed with his statement, specifically concerning the doctrine of social responsibility. Moreover, formal definitions of CSR began to come out after Bowens work in the 1970’s. The most notable contribution in that listing of definitions includes the work by Carroll (1979, 1999): who states: “The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carroll, 1991). Notably, after Bowen, Carroll’s contribution to the CSR concept defines the domains and dimensions of CSR. He suggests that organizations have criterion that need to be fulfilled, just as people do. For example, he adopted the idea of Maslow’s pyramid as an inspiration for his CSR pyramid model. He suggests that, even though the components are not mutually exclusive, it helps the manager to see that different types of obligations are in constant tension with one another.

**Figure 1. Carroll’s CSR Domains Pyramid**

![Carroll’s CSR Pyramid](http://www.csrquest.net/imagefiles/CSR%20Pyramid.jpg)
This figure shows that companies should fulfill economic goals, but then need to take higher levels of responsibility, first obeying a legal environment, followed by the moral and ethical guidelines of the society and finally managing discretionary responsibilities through philanthropic activities. Aupperle,(1984) operationalized Carroll’s pyramid and tested its four categories with a 20-item questionnaire. Consequently, Carroll obtained acceptance from a large number of researchers such as: Miles, (1987), Ullman,(1985), Wartick and Cochran, (1985), and Wood, (1991). Furthermore, Carroll, (1979) defined three dimensions for CSR’s: including: corporate social responsibilities, corporate social responsiveness, and social issues, all of which were updated by Wartick and Cochran, (1985) into a CSP (Corporate Social Performance) framework of principles, processes, and policies. They argued that the component of social responsibility should be thought of as principles, the component of responsiveness should be thought of as processes, and the component of social issues should be thought as policies. Finally, Wood, (1991) reformulated previous work by taking the main domains from Carroll: economic, legal, ethical, and discretionary, and by identifying how they are related to the CSR principles of social legitimacy (institutional level), public responsibility (organizational level) and managerial discretion(individual level),(Wood, 2010)

Table 1. Wood’s (2010) Model of Corporate Social Performance

<table>
<thead>
<tr>
<th>PRINCIPLES OF SOCIAL RESPONSIBILITY</th>
<th>PROCESSES OF SOCIAL RESPONSIVENESS</th>
<th>OUTCOMES &amp; IMPACTS OF PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legitimacy</strong>: businesses that abuse the power society grants them will lose that power.</td>
<td><strong>Environmental Scanning</strong>: Gather the information needed to understand and analyze the firm's social, political, legal, and ethical environments.</td>
<td>Effects on people and Organizations.</td>
</tr>
<tr>
<td><strong>Public Responsibility</strong>: Businesses are responsible for outcomes related to their primary and secondary areas of involvement with society.</td>
<td><strong>Stakeholder Management</strong>: Active and constructive engagement in relationships with stakeholders.</td>
<td>Effects on the natural and physical environments.</td>
</tr>
<tr>
<td><strong>Managerial Discretion</strong>: Managers and other employees are moral actors and have a duty to exercise discretion toward socially responsible, ethical outcomes.</td>
<td><strong>Issues/Public Affairs Management</strong>: A set of processes that allow a company to identify, analyze, and act on the social or political issues that may affect it significantly.</td>
<td>Effects on social systems And institutions.</td>
</tr>
</tbody>
</table>
Moreover, The Green Book of the European Union has established two different dimensions for CSR activities. Firstly, the internal dimensions which include: human resources management, health and safety at work, adaptation to change, management of environmental impacts and natural resources. Secondly, the external dimensions which include: local communities, business partners, suppliers and consumers, human rights, global environmental concerns. We will base our research analysis on Carroll’s (1979, 1991) CSR definition and the CSR Pyramid Model. Specifically, on his four CSR dimensions: Economical responsibilities, Legal responsibilities, Ethical responsibilities, and Philanthropic responsibilities.

1.2 CSR Communication

Over the three last decades, CSR communication has become more open and transparent in order to increase customer’s awareness (Lantos, 2001). More than ever, companies are engaged in environmental and social initiatives, from neutralizing their carbon footprint, to taking socially responsible actions concerning employment, business practices, product design and manufacturing (Kotler, and Lee, 2005). However, the potential influence of CSR programs on stakeholders depends on the company’s ability to communicate and at the same time their ability to get support from consumers (Sjoberg, 2003) and to have a deeper understanding of key issues related to CSR communication. According to The Harvard Law School Forum on Corporate Governance and Financial Regulation (Tonello, 2011), questions about what to communicate (message content), where to communicate (message channel), as well as an understanding of the factors (internal and external to the organization) that influence the effectiveness of a CSR campaign are described. Consequently, a CSR communication framework has been designed in order to understand these factors.
There are different factors a company can share with their stakeholders through their CSR communication, such as its commitment to a cause, the impact it has made on the cause and the congruity between the cause and the company’s business (Tonello, 2011). In CSR communication, a company has different communication channels, such as a corporate responsibility report in which organizations publicly communicate to their stakeholders their values and commitments. It represents an important communication tool, as it forces companies to periodically review their CSR performance and promote critical reflections and progress. It is also an attempt to increase corporate transparency with regards to social and environmental issues (Nielsen & Thomsen, 2007). According to KPMG, in 2008 nearly 80% of the largest 250 companies worldwide have used this channel. In addition, a website allows organizations to reach multiple consumers within a specific target market, and they can be an active part in the company’s communication strategy. According to Dawkins (2004) most consumers do not proactively seek information about a company’s behavior; websites must be considered a substantial component of effective communication on CSR. Thus, labeling has
become common especially in the food and clothing sector (e.g. organic and fair trade labeling). However, while such labels orient consumers at the point of purchase, research has shown that it is not enough to transform positive attitudes towards fair trade and organic products into ethical intent and purchasing behavior (Bueble, 2008). Another powerful communication tool that should be encouraged by companies is worth of mouth, companies should not underestimate the power and reach of employees as CSR communicators (Dawkins, 2004). Finally, there are many other external communicators, such as the media, customers, monitoring groups and consumer blogs that are not controlled by business, but all of which may build awareness about CSR programs. According to, the Harvard Law School Forum on Corporate Governance and Financial Regulation, there are two main moderators of communication effectiveness: corporate reputation and CSR positioning. Corporate reputation is defined as: “a collective representation of a firm’s past actions and results, which describes the firm’s ability to deliver valued outcomes to multiple stakeholders” and it has a direct link to product quality, innovation, investment value, personnel management and CSR (Gardberg, and Fombrun, 2002). On the other hand, CSR positioning referred to “the extent to which a company relies on its CSR activities to position itself relative to the competition, in the minds of consumers.” (Du et al, 2007). Thus, while many companies may engage in CSR, there are some who are more rapidly recognized and adopted by consumers such as Ben and Jerry’s and The Body Shop.
1.3 Effects of CSR communication on customers

Several researchers have proved that negative communication about business that engage in unethical behavior, commit bribery or violate human rights, generate a negative attitude among customers. Such is the case of: Nike accused of using child labor in Asia, or Enron accused of fraud and bribery (Folke et Kamins, 1999). Cone, a North American research agency in marketing, found that 87% of American consumers are likely to switch from one brand to another (price and quality being equal) if the other brand is associated with a good cause. Conversely, 85% will consider switching to another company’s products or services as a result of a company’s negative corporate responsibility practices, while 66% will consider boycotting (Du, Bhattacharya and Sen, 2009). Researchers agree about the fact that society is becoming an active gatekeeper of social and ethical behavior among companies and the international community (Hoeffler and Keller, 2002). As a consequence, CSR communication has a general positive impact on consumer’s perceptions. In Fact, Hoeffler and Keller (2002) found that CSR communication is a source of hedonic benefits as it generates sentiments of self-expression. Indeed, when consumers find themselves engaged with a company on societal activities, they feel a link between their values and their surroundings. In addition, Bhattacharya and Sen (2004) found that CSR communication contributes to consumer’s sense of well-being, and that this benefit is “rewarded” by consumers in the market place. Outcomes from CSR include positive company evaluations (Brown and Dacin, 1997), higher purchasing intentions, (Mohr and Webb, 2005), resilience to negative information about the organization (Peloza, 2006), positive word-of-mouth communication (Hoeffler and Keller, 2002), and a willingness to pay higher prices (Laroche and al., 2001). However, researchers agree that reducing stakeholder’s skepticism remains a critical step for companies to build customer awareness and maximize their business benefits (Elena Bueble, 2008). While customers wish to know more about the positive social and environmental business practices, they also
quickly become very doubtful about CSR motives when companies aggressively promote them. Obermiller and Spangenberg (1998) defined skepticism toward advertising as the “tendency to disbelieve the informational claims of advertising”. Their work proposed that skepticism is a marketplace belief which has a link to certain personality characteristics, marketplace experience, consumer socialization, and education. Their empirical results showed that “skeptics” are shown to be less positive in response to advertising and tend to like it less. At the same time, skeptics indicate that they place more trust in a friend’s recommendation than on a publicity advertisements. Furthermore, according to Woodruff (1997), purchaser behavior with regards to consumption and loyalty has drastically changed due to the emergence of widening choices and growing global competition, (e.g. discount and private brands) and for economies slowing-growth. We are in the midst of an economic crisis, which limits CSR effectiveness due to consumer’s concerns regarding their purchasing power. The subject of the decrease in purchasing power in consumers has taken a significant place in politics and in the media. As a result, customers may feel guilty or unable to pay premium prices. Bertrandias and Lapeyre, (2010) describe the purchasing power concern as, “the degree of importance attached by the consumer to preserve his/hers ability to buy”. Nevertheless, Crawford and Mathews, (2001) state that consumers care more about getting “fair and honest” prices than about getting the lowest price. In addition, Rucker and Galinsky, (2008) indicate that economical hardship fosters a desire to acquire products associated with status to compensate for the lack of purchasing power.

According to the literature review, the vast majority of research on CSR communication discusses the effectiveness of message content and the efficiency on communication channels, within the case of multinational enterprises. However, there is little research linking CSR communication and brand equity (Hoeffler and Keller, 2002; Keller, 2003; Parguel, 2007) and virtually no research linking CSR communication and perceived value, whereas it is a natural
antecedent of customers brand equity and loyalty. As a result, we consider integrating these two concepts as an essential contribution for a strategic avenue for CSR communication research.

2. Conceptual Framework

While the concepts of quality and satisfaction have been researched for several decades; the concept of perceived value made its appearance in marketing research, in the 1990’s. This period is considered in fact the “value decade”, as relevant proposals come out from marketing researchers such as: Monroe (1990), Zeithaml (1988), Sheth and al. (1991), Lai (1995), Woodruff (1997), Holbrook (1999), Sweeney and Soutar (1999), Lapierre (2000), Oliver (1999), Evrard and Aurier (1996), Aurier and al, (2000,2004), Filser (2002). This concept is considered a key factor in strategic marketing (Holbrook, 1999) as it is related to consumers’ loyalty (Martin and al., 2004; Parasuraman and Grewal, 2000) and the creation of customer value (Slater, 1997). According to Lai (1995), customer value, is the level of benefit from a product in exchange for certain amount of customers’ money. There are two different approaches to the concept of perceived value: uni-dimensional and multidimensional. The first one makes reference to economical theories that suggest that consumers behave rationally in choosing services and products and maximize utility (Sweeney et al, 1996) and Monroe’s notion of value (1979, 1990) was based on pricing theory and the notion that consumers’ quality-price perceptions are key determinants of product perceived value. Moreover, Dodds and Monroe, (1985) and Zeithaml, (1988) proposed the concept of trade-off between benefits and sacrifices, as a structure of cognitive and rational decision making. On the other hand, the multidimensional concept of perceived value is related to the consumption context.
Table 2. Unidimensional Research Stream of Perceived Value

<table>
<thead>
<tr>
<th>One-dimensional research stream of perceived value framework</th>
<th>Illustrative contributions</th>
</tr>
</thead>
</table>

2.1 Consumer Value

Lai (1995), states that consumer value is the level of valuation of product consumption or possession. Consumers are not only buying products for their transactional value, but for the product’s benefits that will satisfy their personal needs or affirm their values. In line with this statement, Holbrook (1994,1996,1999) developed a typology of perceived value based on three distinctions: extrinsic vs. intrinsic (the utilitarian vs. the experiential attributes of a product), self oriented vs. other oriented, and active vs. reactive (the efficiency as an active attribute) In addition, Holbrook(1994,1996,1999) categorized eight types of values under these three components described in previous research.

Table 3. Multidimensional Research Stream of Perceived Value

<table>
<thead>
<tr>
<th>Multidimensional Research Stream</th>
<th>Illustrative contributions</th>
</tr>
</thead>
</table>
Based on the model of consumption values from Sheth and al, (1991), Lai (1995) differentiate his model by evaluating “consumption values”, and not only “generic product benefits”. He integrates different categories for the evaluation of his model: customer characteristics, perceived logistic benefits, perceived product benefits, perceived costs, and finally perceived customer value. In our research we have chosen to use three of his eight categories of perceived product benefits:

**Functional benefits**: refer to a product’s functional, utilitarian and physical performance, resulting from its tangible and concrete attributes.

**Social benefits**: refer to benefits obtained from a product’s association with social class, social status, or a specific social group.

**Affective benefits**: refer to the product’s capacity to provoke feelings or affective states.

Building on this empirical model and according to the literature review, we aim to explain the positive impact of CSR communications on consumer’s perceived value and its moderator variables.

**2.2 CSR Communication responses**

CSR communication outcomes have been previously been discussed by a large body of research. We are selecting three key responses in order to measure the positive impact that CSR communication has on customer’s perceived value:

**Empathy response**: The state in which a consumer identifies with the values of the CSR communication. According to Hoffman (2000), empathy is the “spark of human concern for others”.

**Pride response**: A feeling of self respect and personal worth by contributing to a common social and environmental cause (François-Lecompte and Valette-Florence, (2006); Morsing and Schultz (2006)).

2.3 CSR Communication moderator variables in customer perceived value

There is a general consensus between researchers about the following obstacles in CSR communication which will enhance or diminish the positive responses in consumer’s perceived value.

**Credibility:** When information comes from a commercial source, it is less credible than when the same information comes from an independent organization or an NGO (Mohr et al., 2001) or from a consumer’s organization (Swaen & Vanhamme, 2005). Less credible information can therefore influence a consumer’s decision to encode and process messages related to social involvement. (Ganesan & Hess, 1997; Laros and Steenkamp, 2003; Mohr and Webb, 2005; Obermiller and Spangenberg, 1998; Parguel 2007). Suspicion or perceived questionable motivation activates a more intense attribution process which results in scepticism and a rather negative perception (Becker-Olsen et al., 2006).

**Purchasing Power Concern:** It is defined by the degree of importance assigned by the consumer to his/her ability to buy (Bertrandias and Lapeyre, 2010) The anxiety linked to maintaining purchasing power can have an influence on purchasing decisions. (Bertrandias, and Lapeyre, 2005; Green and Peloza, 2011) However, according to Rucker and Galinsky, (2008) low economical power fosters a desire to acquire products associated with status to compensate for the lack of purchasing power. Consequently, a conceptual framework of CSR communication and perceived value has been designed in order to enhance the key factors from our literature review that will lead us to a better understanding of our research question.
3. Qualitative Inquiry

In order to better understand the research question, we have chosen a qualitative approach to our research. Additionally, we want to evaluate the relevance of Lai’s model of consumption values when applying it in the context of French consumers. According to Miles and Hubberman (1994) “one major feature of the qualitative research is that they focus on naturally occurring, ordinary events in natural settings, so that we have a strong handle on what real life is”. Thus before, similar qualitative methods have been applied by other authors in order to study consumer behavior related to CSR (Green and Peloza, 2011; Mohr et al, 2001).

3.1 Research Method

We conducted 10 personal semi-structured interviews in several towns in the south of France including: Montpellier, Perols, Marsillargues, Chadouillet, Petit Brahic and Gagniéres. The interviews lasted about half an hour, and they were conducted at interviewee’s home places. The conversations were recorded and then transcribed (verbatim). Subsequently, each transcript was reviewed analyzed and discussed in detail with other researchers. The uses of a semi-structured interview allow the participants to discuss general research questions, such as a global perception of CSR, in order to get a better idea about the topic and CSR.
communication. Further questioning followed seeking clarity and specificity, (Miles and Hubberman, 1994). The four main topics in the interviews were: the definition of CSR, CSR dimensions, CSR communication and perceived value and obstacles and motivations for CSR communication. It should be noted that the interviews took place at a time when consumers were especially sensitive to the current political and economical situation.e.g. (The presidential elections in France, and the current economic and social crisis). In this context, issues such as: purchasing power and social justice are especially sensitive. The sample group included 3 males and 7 females, ranging from 30 to 75 years old. Professions, income level and marital status varied among participants. The interview guide was updated and modified based on the experience of the first three interviews, to clarify questions and to obtain more accurate results. (See annex 1)

3.2 Results

We would like to highlight a number of key findings, regarding various topics in this section. First, we found that for interviewees, CSR has three clear dimensions: economic, environmental and social. When, interviewees were asked to provide the definition of a socially responsible business, they stated that even if businesses are considered socially responsible, maximizing profits still remains as their main objective. They also added that socially responsible businesses should behave ethically with their employees. To illustrate this point, they mentioned the promotion of fair salaries for workers, quality of life in the workplace and the importance of free time with their families. Furthermore, the majority of interviewees noted business environmental concerns such as: the control of toxic waste and its safe treatment, the implementation of a cleaner production process and fighting air and land pollution. Additionally, interviewees suggested that local producers and smaller businesses seem to be environmentally more conscientious than multinationals. Finally, interviewees indicated that CSR businesses are more likely to care about social justice and provide economic support in developing regions of the world such as Africa and Latin America. We found that three dimensions defined by the interviewees, to be coherent with those of our conceptual framework from Carrolls (1979, 1991) CSR Pyramid Model: economic responsibilities, legal responsibilities, ethical responsibilities and philanthropic responsibilities. According to Carrolls (1979, 1991), a business not only aim to be consistently profitable in order to achieve a successful position on the market but also, to fulfills its legal obligations and provide goods and services that at least meet minimal legal requirements. With regards to the ethical and philanthropic responsibilities of a company, the company
should embrace the activities and practices expected by society even though they may not be codified into law. “An enterprise has the obligation to avoid harm, and to do what is right, just and fair”, Carroll (1991).

Table 4. CSR Definitions and Dimensions

The following table describes the definition of CSR given by our interviewees, in three different dimensions: economic, environmental and social, with a subdivision by internal and external CSR activities.

<table>
<thead>
<tr>
<th>CSR Dimensions</th>
<th>CSR Definition</th>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic dimension:</td>
<td>“For me it is a business who’s main aim is to be profitable” (Vanessa)</td>
<td>Banks try to invest in socially responsible companies, rather to invest in ordinary companies. (Yan)</td>
<td></td>
</tr>
</tbody>
</table>
| Environmental dimension: | “A company should have internal policies in order to have the minimal environmental impact, like: waste treatment, energy savings etc.” (Yan) | “A CSR business, is also a business, that is concerned with environmental issues ”(Michel) 
“It is concerned with environmental issues, and everything that surrounds it, for example avoiding toxic waste “(Alba) |
| Social dimension:        | “For a company to be considered socially responsible it must have a salary policy, it is a company who cares about its employees” (Yan) | “I would make an effort to buy products that come from African countries, which produce fair trade cacao or coffee…” (Yan) 
“For me, it is a company that not only cares about making money, but also cares about its well being employees and society at large (Alba) 
“It is an enterprise trying to follow and obey society rules”(Cecile) |
|                          | “I have a tendency to buy (fair trade) products from Latin American countries”(Alba) | “CSR companies help people in small villages, by giving them jobs, hiring young people, or to helping to build a school in poor countries”(Alba) |

As the discussion with consumers moves from a definition of a CSR company to CSR communication perception, we find that consumers recognize two main product labels from
CSR enterprises: “organic” and “fair trade”. During our interviews, we asked participants to share their feeling about buying organic and fair trade products. The majority of the interviewees reported buying this kind of products made them feel good. In fact, we found that for consumers, their children’s health and well-being is a top priority. The idea of contributing to the environment also evokes positive feelings; buying natural laundry detergent makes consumers feel engaged and proud. This feeling of pride is not only limited for organic products but also to the act of buying fair trade products. Thus, fair trade labels generate a state of support and satisfaction by collaborating in social justice projects. Therefore, the three CSR communication responses chosen for our conceptual framework: well being, pride and empathy, are strongly related to Lai’s model of consumption values for French consumers.

Table 5. CSR Communication Responses and Perceived Value

The following table links Lai’s (1995) consumption values, to our CSR communication interview responses.

<table>
<thead>
<tr>
<th>Consumption values by Lai (1995)</th>
<th>CSR communication responses</th>
<th>Informants Verbatim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional Benefit: refers to a product functional, utilitarian and physical performance, which is the resulting from its tangible and concrete characteristics.</td>
<td><strong>Well-being</strong>: The CSR communication as a factor in consumers satisfaction mind. (Taghata and Strieix, 2008; Laroche and al, 2001, Bhattacharya and Sen 2004)</td>
<td>“I think that we can feel healthier. We avoid all the industrial chemicals...” (Frederique) “My daughter will probably be healthier, there are fewer chemicals. Products are healthier” (Ana)</td>
</tr>
<tr>
<td>Social Benefit: refers to those obtained from a product’s association with social class, social status, or a specific social group.</td>
<td><strong>Pride</strong>: A feeling of self respect and personal worth by contributing to a common social and environmental cause. (François-Lecompte and Valette-Florence, 2006; Morsing and Schultz (2006).</td>
<td>“I say to myself that with this behavior, I contribute for a better environment, and then, I simply think of my children.” (Christelle) “I feel proud, because when I am buying (organic) I am helping producers to obtain quality products” (Michel)</td>
</tr>
<tr>
<td>Emotional Benefit: refers to the product’s capacity to arouse feelings or affective states.</td>
<td><strong>Empathy</strong>: when a consumer identifies with the values of CSR communication. According to Hoffman (2000), empathy, is the “spark of human concern for others”.</td>
<td>“I prefer to collaborate with people who love their work, because they are well paid, and can contribute to their families well-being, and also because their work brings them satisfaction.” (Yan) “I am solidarity with people, even more through products (fair-trade) coming from Mexico, if I can I buy those products” (Alba)</td>
</tr>
</tbody>
</table>

Finally, there are several underlying motivations that drive consumers toward purchasing organic and fair trade products. These include: better health, contributing to a better planet, and the engagement of business and consumers in a social justice project. We have found,
however, that these values are not consistently positive. There are two main obstacles inhibiting consumer’s positive perception of CSR communication: Purchasing power and skepticism. First, there seems to be a clear concern among consumers with regards to their purchasing power. Interviewees, suggested that organic and fair-trade products are aimed at higher economic and social segments, since these products are more expensive than mainstream products. Consumers reported feelings of helplessness, as they could not buy all the organic and fair trade products that they would normally like to buy for the wellbeing of their family. Secondly, skeptical consumer’s voice concerns CSR business and products more specifically organic products. They feel that they lack enough information in order to judge if a product is actually organic or not and consequently feel cheated. Also, interviewees believe that businesses have a hard time following the AB label polices, so they only choose to be partially compliant. Finally, based on the pretext of being organic, enterprises can be more profitable. Nevertheless, consumers indicated that information about products via word of mouth increases credibility of CSR communication.

**Table 6. Obstacles in CSR communication**

The following table describes the moderator variables for a positive perception of CSR communication indicated by our Interviewees, here we examine: purchasing power concern and skepticism.

<table>
<thead>
<tr>
<th>Obstacles for CSR communication</th>
<th>“Not everybody can afford organic products due concerns about purchasing power, we decide that we don’t have the (economic) option to buy organic vegetables or organic products, because prices are already high without being organic, so it is not easy for most families” (Christelle).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchasing Power Concern:</strong></td>
<td>“Not everybody has the possibility to buy organic products; it is related to their purchasing power. We decided that we can’t buy everything organic, because prices without being organic are already very high” (Frederique)</td>
</tr>
<tr>
<td></td>
<td>“If I buy organic products, it’s because they are not five times the price of an ordinary product, otherwise I won’t buy them” (Gerard)</td>
</tr>
<tr>
<td><strong>Skepticism:</strong> “Tendency to disbelieve the informational claims of advertising” (Obermiller and Spangenberg,1998)</td>
<td>“Ok, I agree to buy organic products; I can pay one euro more, but...Is it really organic? What is inside an organic product...really? I don’t want to be financially cheated either. Does this product have the same effects as others?” (Gerard)</td>
</tr>
<tr>
<td></td>
<td>“They (businesses) do it (communicate CSR) for money, of course, because it is a food market that works very well. Everybody is conscious of the real problem of pollution” (Vanessa)</td>
</tr>
<tr>
<td></td>
<td>“on the other hand, products named organic are commercialized as organic while they may be growing next to other products that are planted on polluted lands so then...is it true?” (Josette)</td>
</tr>
<tr>
<td></td>
<td>“Is it really organic? It’s not clear, because by planting my own garden, I know that organic doesn’t exist” (Josette)</td>
</tr>
<tr>
<td></td>
<td>“I don’t trust organic products in supermarkets; I trust organic products from small organic shops, because when you see their fruits and vegetables they are not perfect, and beautiful, and then you say, it is real organic!” (Cecile)</td>
</tr>
</tbody>
</table>
4. Discussion

This study explores consumer’s understanding of CSR businesses in their different forms and levels, and it looks at the value perception through CSR communication, and the buying act. Consumers provide feedback on relevant and leading concepts for CSR perception. First of all, the perception of CSR businesses by Interviewees is clearly divided between internal and external actions. Internally: by ethical behavior with regard to employees, suppliers, consumers, the adoption of environmental and social labels, and externally: by a concern for the environment and social justice, the production of organic and fair trade products and so on. Furthermore, we take into consideration the three different dimensions: economical, environmental and social. According to Temri and Fort (2009), researchers consider that in management science, CSR is a managerial application of the three pillars of sustainable development. Also, it is consistent with Woods, (2010) and her Corporate Social Performance Model, (CSP), showing: the effects on people and organizations, the effects on the natural and physical environment and the effects on social systems and institutions. Additionally, findings suggest that CSR communication has a positive impact on consumer’s perceived value. In line with the three forms of Lai’s (1995) model of customer value for consumer markets perception, e.g. (functional, social and emotional benefits), respondents find the functional value benefit of “well-being” as a first priority. These findings support previous research, examining consumer support for organic foods (Tagbata and Sirieix,2008; Laroche and al, 2001; Bhattacharya and Sen, 2004). The next respond demonstrating lower priority points to the social benefit and the idea of being “proud”. Consumers feel satisfied in collaborating with others to support a better environment (François-Lecompte and Valette-Florence, 2006; Morsing and Schultz, 2006). The third consumer response sites the emotional value benefit specifically “empathy”, as consumers show to be sensitive to other people’s needs including: those of producers from developing countries and local French fair-trade and organic growers, and demonstrate their commitment to contributing to support these causes, (Hoffman,2000). Furthermore, the study finds some motivations and obstacles for a positive perception of CSR communication. Our interviewees responses show in addition to the three forms of perceived value mentioned before, health and ethical behavior are other motivators for a positive perception. However, there are two clear obstacles: purchasing power concern and skepticism. Purchasing power concern will inhibit the buying act for CSR products because ethical and Fair Trade products are seen by the majority of Interviewees as “elitist products.” (Bertrandias, and Lapeyre, 2005, Green and Peloza, 2011), these findings contradict the
empirical results from (Laroche et al., 2001) and (Mohr and Webb, 2005) who claim that customers are willing to pay higher prices for CSR products. Secondly, skepticism causes, as informants have the feeling of being cheated by enterprises procedures and communications. This phenomenon has been also discussed by a large body of researchers and seen as the next key challenge to overcome for CSR. (Mohr et al., 2001; Parguel, 2007; Bhattacharyya and Sen., 2010). The fact that CSR programs have more to do with internal business activities, may cause skepticism, as consumers don’t have clear and transparent information from companies. Also, there is a belief among informants that a CSR program is very difficult to achieve for any company due to the complexity of the different domains involved. It seems easier to trust small companies or local producers than big supermarkets or multinationals, as Mohr et al., (2001) stated previously. Nevertheless, informants illustrate that word of mouth is a communication form that decreases the level of skepticism. This assertion supports the research by Obermiller and Spangenberg(1998) who say that skeptics trust friends more. In addition, word of mouth is considered a performance tool of CSR communication. ( Hoeffler and Keller,2002)

5. Conclusion

CSR communication among businesses has been studied by multidisciplinary researchers. Our work contributes to this body of research, by giving some key customer responses to CSR communication. We can show evidence through our research of a positive perception to CSR communication through three main responses: well being, empathy and pride. However, there are two main obstacles for this perception: purchasing power and skepticism. Findings site a few key recommendations for managers: they should carefully study their value propositions for consumers and they should maximize their company’s reputation as well as their positioning strategy. Additionally, CSR companies should communicate in a more clear, open, and transparent way to consumers about their CSR activities, through reliable communication channels. Future research may examine consumer’s response with regard to CSR communication in SME’s (small and medium enterprises). Does the same phenomenon of skepticism hold true for SME’s? Similarly, studies in the future could show how managers see obstacles to CSR communication, purchasing power concern, and skepticism, and look at possible coping mechanisms by consumers. Finally, we cannot ignore several methodological limitations, regarding time and sampling size. Despite the fact that, ten informants provide strong evidence on Lai’s model of consumption values, it would be interesting to increase the
number and the length of the interviews. Additionally, the use of software for text analysis may improve the objectivity of results and strength our exploratory research.
Key References


Gallarza, M., Gil Saura, I., (2007). Desarrollo de una escala multidimensional para medir el valor percibido de una experiencia de servicio, Revista española de investigación de marketing, ESIC


## Annex 1. Informant’s Profile

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Location</th>
<th>Occupation</th>
<th>Marital status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christelle</td>
<td>between 30 and 40</td>
<td>Chadouillet (Ardèche)</td>
<td>High School professor</td>
<td>married</td>
</tr>
<tr>
<td>Michel</td>
<td>between 65 and 75</td>
<td>Chadouillet (Ardèche)</td>
<td>Retired Architect</td>
<td>married</td>
</tr>
<tr>
<td>Frederique</td>
<td>between 35 and 45</td>
<td>Chadouillet (Ardèche)</td>
<td>Psychologist</td>
<td>married</td>
</tr>
<tr>
<td>Gerard</td>
<td>between 60 and 70</td>
<td>Petit Brahic (Ardèche)</td>
<td>Retired (Associate Manager)</td>
<td>single</td>
</tr>
<tr>
<td>Josette</td>
<td>between 55 and 65</td>
<td>Gagniers (Gard)</td>
<td>Retired Sales</td>
<td>single</td>
</tr>
<tr>
<td>Yan</td>
<td>between 35 and 45</td>
<td>Montpellier</td>
<td>Merchant Navy</td>
<td>married</td>
</tr>
<tr>
<td>Alba</td>
<td>between 30 and 40</td>
<td>Perols</td>
<td>Literature Professor (University)</td>
<td>married</td>
</tr>
<tr>
<td>Vanessa</td>
<td>between 30 and 40</td>
<td>Marsillargues (Pays de Lunel)</td>
<td>works at home</td>
<td>married</td>
</tr>
<tr>
<td>Cecile</td>
<td>between 35 and 45</td>
<td>Marsillargues (Pays de Lunel)</td>
<td>Sales Manager</td>
<td>married</td>
</tr>
<tr>
<td>Ana</td>
<td>between 30 and 40</td>
<td>Marsillargues (Pays de Lunel)</td>
<td>works at home</td>
<td>married</td>
</tr>
</tbody>
</table>