

ATTITUDES OF GEORGIAN CONSUMERS TOWARDS CORPORATE SOCIAL RESPONSIBILITY

Iza Gigauri, PhD Candidate

Ivane Javakhishvili Tbilisi State University, Faculty of Economics and Business, Georgia

Abstract

Corporate social responsibility (CSR) increasingly receives attention from researchers, especially in the area of consumer perception. But most studies were conducted in the developed countries. This research in Georgia demonstrates that research on consumer perception towards CSR as well as on CSR generally needs to be pursued in developing countries. Georgian consumers are less aware about CSR, nevertheless, they demand more information about it, and there is a strong tendency that consumers will support the CSR programs in case of appropriate marketing strategies.

Keywords: Corporate Social Responsibility (CSR), Georgia, consumer perception, marketing

Introduction:

A company must consider all stakeholders' requirements and have responsibility towards the whole society.

According to Yan and She (2011: 253), a significant proportion of consumers who uses ethical criteria in their purchase decisions has grown in many countries.

Besides, empirical studies support the view that CSR has a positive effect on the customer's perception of the company (Vaaland et al., 2008: 937).

In addition, ethical behaviour of companies is important for consumers when taking decisions on purchase products. According to studies (Creyer & Ross, 1997 cited in Vaaland et al.,

2008: 936), since ethical behaviour is expected the company is rewarded by the consumer's willingness to pay higher prices. The consumer may also buy from the unethical firm, but punish the seller by demanding lower prices.

Study conducted by Arli and Lasmono (2010) shows that in developing countries, consumers are not informed, and consequently, do not support CSR while in developed countries there is a shift towards social responsible behaviour due to the demand and support of consumers.

Despite the fact that product price and quality is the most important factor for consumers in developing countries when they make purchase decision, CSR still increases positive attitude and loyalty as well as improves financial efficiency (Arli & Lasmono, 2010: 47).

According to Arli and Lasmono (2010), research on consumer perception towards CSR in developing countries is not yet developed. CSR is still a concept waiting to be applied in the developing country since consumers are often unaware and unsupportive towards CSR.

The purpose of this research is to define awareness of Georgian consumers towards CSR, and determine if CSR can increase positive attitude towards the company and/or the brand.

Methodology

The research method was exploratory in nature in the sense that there is no previous academic research about CSR in Georgia to guide this study. Both quantitative and qualitative research methods were used. Data were gathered by means of survey. No probability purposive sampling was chosen for this research due to its low costs, flexibility and simplicity. In addition, it allows collection of much information quickly, however, the result cannot be generalized. This method was chosen because the general population was difficult to reach, and besides, a targeted simple was more readily accessible. The respondents participating in the research were more or less informed about the corporate social responsibility, they all are residents of the capital city of Georgia, have education, job, and access to the Internet.

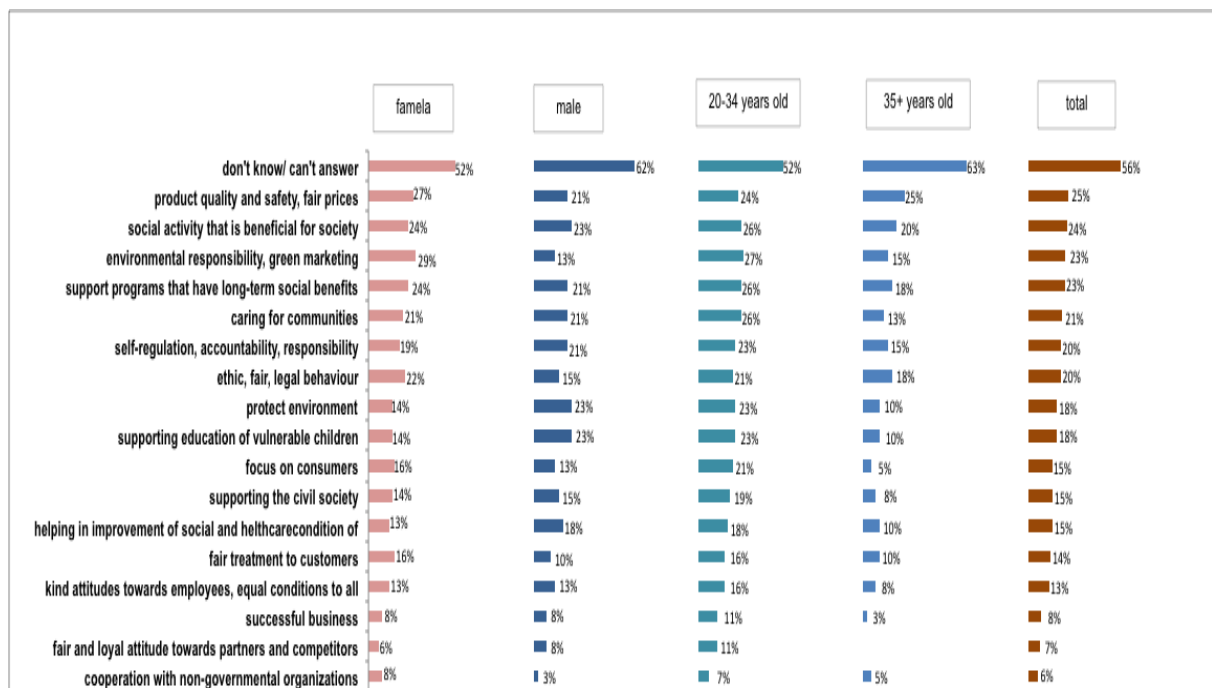
The survey was conducted through self-administrated questionnaires sending by Email. The benefits of an email survey include the speed of distribution, lower costs, the quick response time, and flexibility.

The research results were analysed using MS Excel 2011 and SPSS 15.0 for Windows.

1. Perception of the meaning of CSR among Georgian Consumers

The majority of the respondents (56%) is not aware on CSR and could not answer the question what corporate social responsibility means. From the rest who knows about CSR, 25% thinks that it is about product quality and safety, fair prices. 24% of respondents regard CSR as social activity that is beneficial for the society. The next large group of respondents (23%) thinks that CSR is environmental responsibility, green marketing. Others consider it as supporting of programs that bring long-term social benefits. 21% of respondents regards it as concern for local society. Many consumers (20%) think that CSR is self-regulation, accountability, and responsibility. Others think it is about ethics, fairness, and legal behavior. Some respondents (18%) consider CSR as participating in environmental programs, and the same amount of consumers think it is about supporting education of vulnerable children. A slight less number of respondents considers it as focus on consumers, and others think it is about supporting the civil society. 15% regard it as helping in improvement of social and health condition of the local society, and 14% thinks it is fair treat to customers. But other respondents think that CSR means treating employees kindly, and creating the same opportunities for all of them. Only a few respondents consider CSR as a successful business, fair and loyal attitude towards partners and competitors, and collaboration with nongovernmental organizations.

Chart 1. Consumer perception on meaning of CSR.

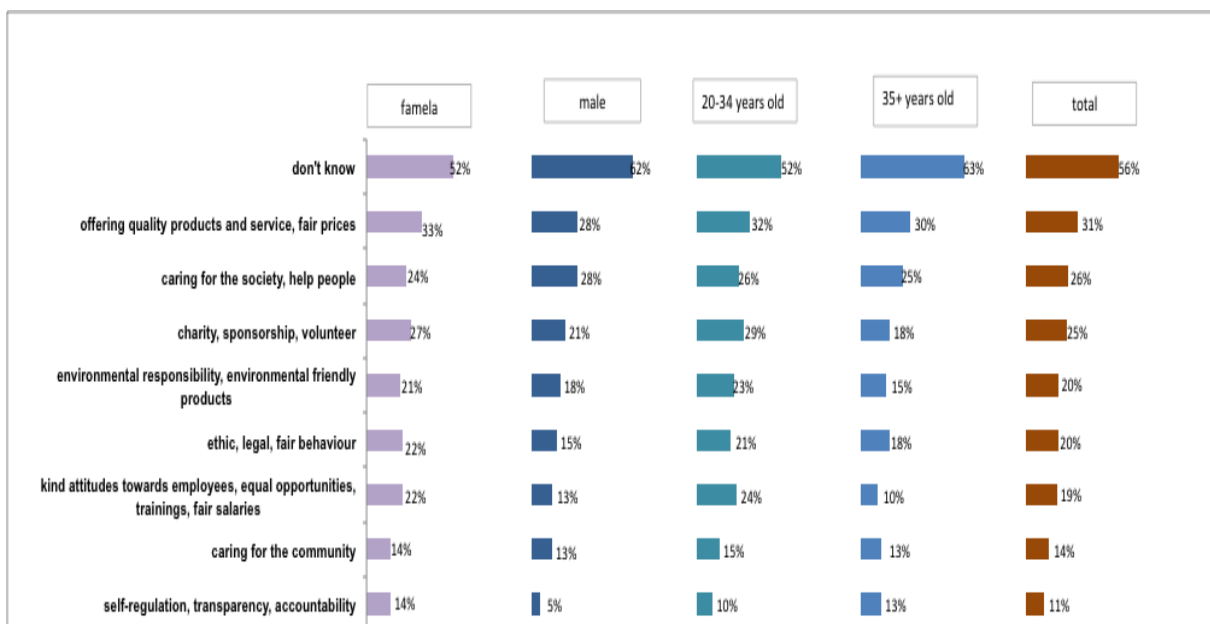


The research findings suggest that the awareness of CSR is relatively low among consumers in Georgia. The majority of them thinks it is about product quality and safety, fair prices. These findings are basically supported by Arli and Lasmono (2010), which suggested that products quality and price are of great importance in developing countries.

2. Consumer demands towards CSR

More than half of the respondents do not know what a company should do in order to be considered as having corporate social responsibility. From those who answered, most respondents think that socially responsible company must offer quality products and services, fair prices. Next demanded aspect of CSR is care for the society and helping people followed by charity, sponsorship, and voluntary activities. 20% of respondents believe that a company can be considered as engaging in CSR for its ethical, legal and fair behavior. Other 20% suppose CSR is environmental responsibility, environmental friendly products. Slightly less of respondents will consider a company as socially responsible if it has good attitude towards its employees, fair salaries, training programs. 14% of respondents will regard a company as pursuing CSR if it takes care for the community, and the minority of them thinks that self-regulation, transparency, accountability is enough for implementing CSR.

Chart 2. Consumers attitude towards activities of socially responsible company.

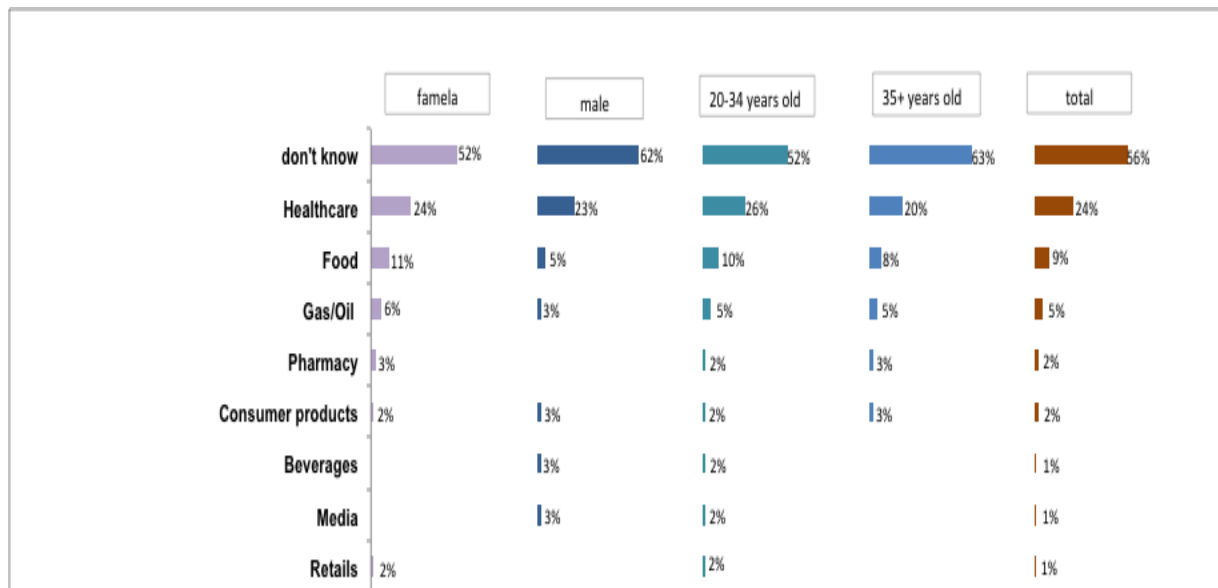


Thus, Georgian consumers will regard a company as having corporate social responsibility if it offers quality products and services, and fair prices. The research result suggests that the most important factor for consumers is quality and price of a product. Next desired aspect of CSR is charity, sponsorship, and volunteer activities as well as care for the community and help people. After these comes into question ecological factors such as environmental responsibility and environmental friendly products.

3. Importance of CSR for Industries

The research determined the industries for which Georgian consumers consider CSR as the most important. The majority of respondents did not answer this question since they were not aware about CSR generally. Those who knew about CSR respond that for healthcare industry is of utmost importance the CSR programs. Next more frequently named industry was food industry followed by gas/oil companies. Consumers think that for beverages, media and retailer industry, CSR is of less importance.

Chart 3. Importance of CSR for industries.



The research findings suggest that people are concerned about their health and consider CSR as an insurance that ensures safety of their health and environmental protection. Therefore,

companies operating in healthcare, food, and gas/oil industries must have the CSR programs in order to meet the requirements of the society.

Conclusion

The purpose of this research was to study consumers' attitude towards CSR of companies in the Georgian market. As the research has shown, though consumers have information about the essence of CSR, this information is not enough to know exactly the meaning of CSR. This result was expectable because there was not any information or awareness campaign on CSR issues held in Georgia. Companies are not active in communication their CSR to consumers either. This fact might be cause less demand of CSR, however, as the research shows consumers are not indifferent and moreover, they are interested in getting more information about CSR.

As the research demonstrated, CSR means product quality and safety for Georgian consumers. This result gives a great opportunity to companies to confirm a high quality of their products through CSR programs since CSR is associated for consumers with the quality and safe products. Consumers think that if companies implement CSR this indicates to their products' quality and safety. Moreover, consumers consider food, healthcare and gas/oil industries as those for that the CSR is of the great importance. This result suggests that CSR is similar to a guarantee for consumers that their health and safety will be protected. Consumers believe that if a company pursues the CSR programs this means that it takes into consideration their requirements regarding quality products, harmless environment, and safe healthcare.

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