

CSR in retailing - coordinating corporate activities, store employees and consumers

Extended abstract prepared for the 4th Nordic Retail and Wholesale Conference

Ulf Elg (Corresponding author) & Jens Hultman
Center for Retail Research
Lund University, Sweden
E-mail: ulf.elg@fek.lu.se & jens.hultman@fek.lu.se
Tel: +46 (0) 46 222 00 00

Extended abstract

Many retailers put an increasing emphasis on working with Corporate Social Responsibility (CSR) issues in various ways, not least in Sweden (Elg and Hultman 2011). It is becoming an important strategic matter and is argued to be something that can create sustainable competitive advantages for retailers as well as other organizations (Jones et al. 2005; Porter and Kramer 2006). It can also support a retailer when developing good relationships with political actors, NGOs, media, etc (Elg et al. 2012). Research also suggests that consumers will have a higher opinion on socially responsible retailers that act as good citizens (Luo and Bhattacharya 2006). While previous studies are fragmented, there are some evidence that consumers' willingness to pay a premium for a products that have been developed considering CSR aspects, or consider them when making buying decisions, is limited (Carrigan and Attalla 2001). Still, knowledge within this area is primarily based upon surveys or experiments with consumers where they were asked various questions about their attitudes and expected behaviour. We know very little about how consumers actually think when they are in a store making decisions. How did CSR aspects influence their choice of store? How they made the decision regarding a particular product that they are buying in the store? To what extent was knowledge or information about a retailer's CSR considered? Do consumers reward retailers for taking a social responsibility approach when selecting and collaborating with suppliers?

In this paper, we outline an in-depth investigation of the CSR strategy of a Swedish DIY retailer at corporate level and how it is supported in the store. We put this in contrast with the views of consumers as they are making decisions in the store regarding the purchase of a disposable product. Based upon previous theory and our empirical our research aims at developing a theoretical framework for CSR in retailing and the interaction between the retailer and the consumers. The paper also identifies gaps in awareness and commit-

ment between the corporate level, the perceptions of store employees and the role of CSR in the buying behavior of consumers in store. The framework illustrates how the retailer's CSR identity is related to the credibility from a consumers' perspective and how it influences consumers' buying decisions and willingness to endorse a retailer due to its CSR identity. While previous studies are fragmented, there is limited evidence that consumers are willing to pay a premium for a product that has been developed considering CSR aspects or to consider these aspects when making buying decisions. We conclude that retailers face a number of CSR challenges if they are to be able to make consumers willing to pay a premium and to reward retailers for their CSR work. A main problem for retailers is how they can enhance trust, commitment as well as legitimacy in the eyes of the consumers.

References

Carrigan, M. & Attalla, A., (2001), The myth of the ethical consumer – do ethics matter in purchase behaviour?, *Journal of Consumer Marketing*, 18(7), 560–578

Elg, U. & Hultman, J., (2011), Retailers' management of corporate social responsibility (CSR) in their supplier relationships – does practice follow best practice?, *The International Review of Retail, Distribution and Consumer Research*, 21(5), 445-460

Elg, U., Deligonul, S.Z., Ghauri, P.N., Danis, W. & Tarnovskaya, V., (2012), Market-driving strategy implementation through global supplier relationships, *Industrial Marketing Management*, 41(6), 919-928

Jones, P., Comfort, D. & Hillier, D., (2005), Corporate social responsibility and the UK's top ten retailers, *International Journal of Retail & Distribution Management*, 33(12), 882-892

Luo, X., & Bhattacharya, C. B. 2006. Corporate Social Responsibility, Customer Satisfaction, and Market Value, *Journal of Marketing*, 70(4): 1-18

Porter, M. E., & Kramer, M. R. (2006). Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility. *Harvard Business Review*, 12, 78-92.

