

Brand and CSR: What perception and impact among consumers?

Laure LAVORATA, Professor
University of Paris Nanterre- Research's team CEROS
llavorata@parisnanterre.fr

Maha EL GUINDOU-DOGHRI, PhD Student
University of Paris Nanterre- Research's team CEROS
maha.elguindou@parisnanterre.fr

Corresponding author:

Laure Lavorata,
200 avenue de la république- 92000 Nanterre
06.81.19.42.01

Abstract :

Stakeholders are increasingly sensitive to environmental pressure and companies have become aware of the need to adapt their product and integrate CSR into their practices. CSR can be an element of brand differentiation, and it can foster consumer confidence in brands. But what is the consumer's perception of brands' CSR and how does this association impact their behavior? Interviews with 12 French consumers in 2024 allow us to highlight some results, including the importance of well-being at work and associative engagement as dimensions of CSR as well as the role of the consumer in changing the CSR practices of brands.

Keywords: brands, CSR, consumers, well-being, loyalty, boycott

Brand and CSR: What perception and impact among consumers?

Over the past decade, companies have become aware of the need to adapt their product and integrate CSR into their practices (Diallo et al., 2021; Farooq & Wicaksono, 2021; Lavorata, 2014; Luo and Bhattacharya, 2006). The most emblematic example is probably the company Patagonia, which since its creation in 1973 has been frequently cited to illustrate the success of a company committed to both social and environmental aspects while being profitable (Teulon, 2006). This brand has become a reference in terms of corporate social responsibility (CSR) within a few decades. Stakeholders are increasingly sensitive to environmental pressure and major climate change and companies must therefore redefine their objectives in order to be in tune with their customers and employees (Knowles et al., 2022).

According to a study conducted by Kantar in 2023, 54% of respondents say they expect companies and brands to find solutions to the social and environmental problems of the country in which they live. CSR becomes an important element of brand differentiation (Hildebrand et al., 2011) and by implementing actions in favour of the environment and society, it can foster consumer confidence in the company (Farooq & Wicaksono, 2021). Integrating CSR into the company can help strengthen the brand identity through the promotion of strong values in terms of ethics, social and environment and create a competitive advantage by differentiating in increasingly competitive markets (Diallo et al., 2021).

But what is the consumer's perception of the integration of CSR by brands and how does this association impact their behavior? Interviews with 12 French consumers in 2024 allow us to highlight some results, including the importance of well-being at work and associative engagement as dimensions of CSR as well as the role of the consumer in changing the CSR practices of brands.

CONCEPTUAL BACKGROUND

Definition of CSR

The first author to quote CSR was Bowen (1953) who defined CSR as “*the obligation of businesspeople to follow policies, make decisions or follow desirable directions in terms of objectives and values for our society*” (p.6). However, for liberal economists like Friedman (1970), the sole responsibility of a company is to maximize profits for its shareholders. But this position has been criticized by Freeman (1984), who develops the stakeholder theory and demonstrates that company decisions must take into account the interests of all stakeholders and not only those of shareholders: the more virtuous a company is towards its environment, the more virtuous its environment will be towards it. Therefore, thinking only in terms of maximizing profits means excluding other stakeholders, which would prevent companies from ensuring sustainable growth: they are committed to defending the interests of society and future generations (Bryane, 2003) and companies must go beyond their sole economic interests (Turker, 2009).

Carroll (1979) also develops a model that defines the obligations of companies according to economic, legal, ethical and discretionary terms (voluntary actions of the company). It prioritizes the components of CSR by positioning the economic responsibility of the company at the base, recalling that it allows the other three dimensions to exist: legal responsibility (obey the law), ethical (be fair and moral) and philanthropic (ensuring the well-being of society). Buchholz (1991) underlines the importance for companies to be at the service of human values and not only to create economic value. Similarly, for Sen and Bhattacharya (2001), CSR is the obligation of the company to take measures to protect and improve the welfare of the company and the company.

Influence of CSR on brand image and consumers' behavior

According to Keller (1993), each component of the mark (name, expression, sign, symbol or design, or a combination of all these components) constitutes the brand's identities and the sum of all these components defines the mark. Building a strong brand is a guarantee of success for a company (Hoeffler & Keller, 2002) but also a key element for the consumer (Keller, 1993). Moreover, a brand carries values and meaning (Michel, 2022) and it will be built around mental associations that determine the brand image: *"brand image is defined as perceptions of a brand as reflected by the associations of brands retained in consumers' memories"* (Keller, 1993, p. 3). The more the brand is aligned with the company's CSR program (CSR brand fit), the more consumers will adhere to the CSR message conveyed by the brand, which will strengthen its brand image (Gul Gilal et al., 2020). If we take the example of Patagonia, this firm communicates *"more about its projects and values than about its products"* (Teulon, 2006, p. 4). This brand not only owes its success to the quality of its products, but it also offers a customer experience in line with the values of its consumers, which strengthens its brand image. Boistel et al. (2020), also point out that to build a positive brand, a CSR action must be sincere and transparent.

CSR can help to retain customers, to increase satisfaction (Luo & Bhattacharya, 2006), to strengthen consumer identification and loyalty towards the company (Bhattacharya & Sen, 2004) or to build a more responsible image (Lavorata, 2014). The challenges for brands are crucial: research has shown the impact of responsible practices on brand image and brand capital (Diallo et al., 2021) as well as on the company's reputation (Xie et al., 2019) and the importance of CSR communication which will positively influence the reputation of the company and the intention of consumers to buy (Bartikowski & Berens, 2021). Sen and Bhattacharya (2001) show that all consumers react negatively to negative CSR information, but when there is positive CSR information, only those who are most supportive of CSR issues will react: consumers are therefore more likely to be attracted when the company is not acting responsibly on societal and environmental issues, but conversely, engaged consumers are more sensitive to corporate CSR actions and messages.

However, the perception of a brand's CSR actions is not always seen positively, and consumers may become suspicious of brands' CSR messages. When there is a dissonance between the message conveyed and the CSR actions of companies, consumers become suspicious and skeptical (Lavorata, 2022). According to the Kantar study already mentioned in the introduction, 51% of respondents have already faced false or misleading messages from some brands, which highlights the importance for brands to avoid greenwashing (Parguel & Johnson, 2021). It is not enough to claim to act responsibly to benefit from a strengthened brand image, but the CSR performance of a company must be in line with its actions and values (Sen & Bhattacharya, 2001). Consumers want true transparency, and the brand must communicate about good actions but also about problems when they exist (Boistel et al., 2020). Valette-Florence and François (2006) show that consumers would be *"more likely to punish irresponsible companies than reward socially responsible initiatives"* (p. 76).

METHODOLOGY AND RESULTS

We interviewed 12 French consumers (6 women, 6 men) between 20 and 35 years old in January 2024. We conducted a thematic content analysis as advised by some authors (Braun & Clarke, 2006) and we constructed a coding grid by selecting broad categories that corresponded to the main themes of our interview guide: definition of a responsible brand, perception of CSR actions, CSR and behavior, role of consumers.

Dimensions of the CSR brand: importance of well-being and associative commitments

When asked to define a CSR brand, many consumers spontaneously cite two dimensions of CSR (8/12): environmental and social. But others go further by introducing the notion of

employee well-being as an essential criterion: *“it is a brand that already includes the well-being of its employees, but also of the employees of its partners, suppliers”* (E6¹) and indicate that the company must be concerned with employee happiness: *“a socially responsible brand strives to keep employees happy”* (E12). Other dimensions of a CSR brand such as transparency and ethics are quoted by consumers: *“I think the important criteria for a company that would be potentially committed to sustainable development would be its ethical practices in manufacturing, then its transparency especially”* (E7); *“a CSR brand must incorporate ethical practices”* (E11).

These results allow us to identify six dimensions of a CSR brand as perceived by consumers. First, the dimensions already present in the ESG criteria put in place to evaluate companies and promote socially responsible investment by shareholders²: environmental, social and good governance with ethics and transparency. Three new criteria emerged in the interviews: well-being, community engagement and sustainability that is a broader concept than environmental and social dimensions.

CSR: an important element in brand choice and loyalty

For consumers, the first criterion for choosing a brand is price and quality (7 out of 12 consumers surveyed). However, other elements such as brand values, ethics and its social and environmental commitment are elements that consumers are beginning to take into account when choosing a brand: *“But the most important criteria is whether in accordance with my values”* (E1); *“all that is value, ethical”* (E2); *“the country where products are manufactured and under what conditions, therefore ethical and social dimensions”* (E7); *“Its involvement in social and ecological issues”* (E8).

However, brand CSR can have positive or negative consequences on consumer behavior. In the first case, this commitment can strengthen their loyalty: *“a company’s social responsibility has a significant impact on my loyalty to a brand”* (E12) or have an impact on its commitment and attachment to the brand: *“I feel that a brand, if it has a good impact on its CSR, I will tend to be more attached to this brand, to like it”* (E6). However, when the brand has no social and environmental commitment, it can have a negative impact on consumer behavior. They can either give up buying this brand: *“Yes, of course it’s decisive in my purchase! If I see that a brand is not in line with my values, it becomes inconceivable for me to buy”* (E1) or they will not hesitate to change the brand: *“Sometimes, even if a brand is not my preference, I can choose to support it because of its political commitment or financial support for social projects”* (E12).

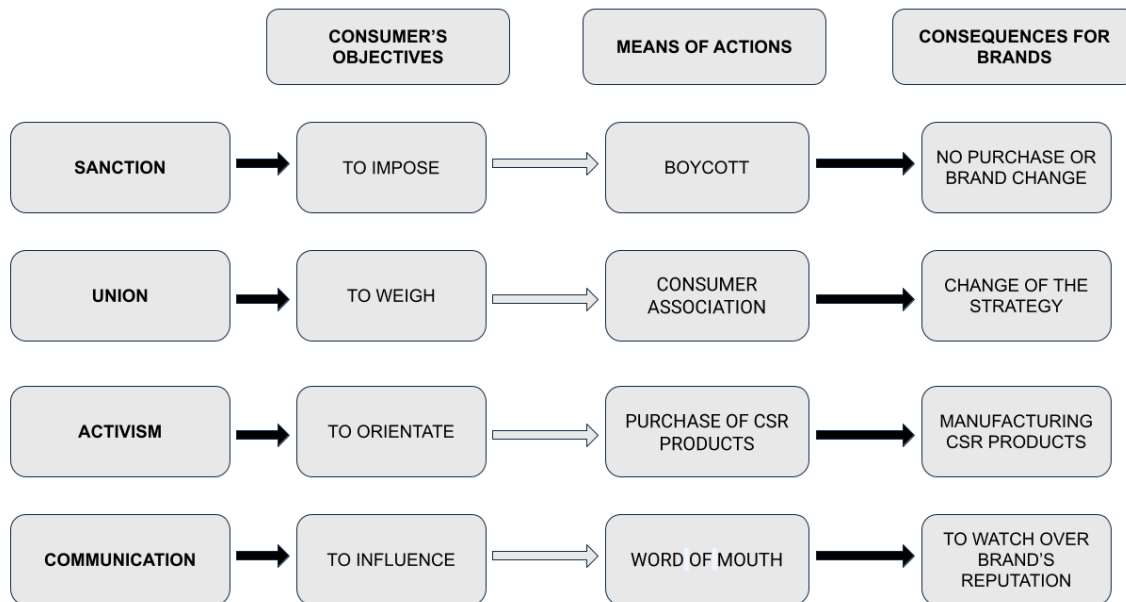
Role of the consumer in influencing brand CSR

Most respondents believe that consumers have an important role to play by encouraging companies to adopt more responsible practices (10/12), and some point out that the existence of a company depends on the existence of consumers: *“consumers are one of the most important factors that enable businesses to exist”* (E12). We can thus classify the role of the consumer according to four means of action: Sanction through the boycott of brands, Union in order to influence CSR policies, Activism by promoting responsible product buying and Communication through word of mouth (Figure 1).

Figure 1. The role of the consumer

¹ We chose to name respondents by letter with the number corresponding to the interview order (E1, E2, E3....)

² <https://www.llelabelisr.fr>



CONCLUSION

This study aimed to better understand the perception that consumers had of brands CSR practices: we were able to highlight two main results that lead us to propose managerial implications. First, consumers expect brands to have ethical, sincere, authentic, transparent and honest practices through their communication but above all through their actions. Consequently, the brand must demonstrate and provide evidence faced to a consumer who is increasingly informed and demanding. The second result is the highlighting of the well-being dimensions and associative commitments in the CSR of brands as perceived by consumers. They expect brands to contribute to the well-being of their employees, which can conduct to improve their image among the public. It means that brands must first implement CSR actions in their company before communicating to the public on this topic. This study has some limits because the sample is small (12) and reduced to the French context, but it gives us some indication to propose ways of research: to add other interviews in France (8 to 10 for example) and interview consumers in other countries to be able to compare our results.

REFERENCES

- Bartikowski, B. & Berens, G. (2021). Attribute framing in CSR communications: doing good and spreading the word but how? *Journal of Business Research*, 131, 700-708.
- Bhattacharya, C. & Sen, S. (2004). Doing better at doing good: when, why, and how consumers respond to corporate social initiatives. *California Management Review*, 47, 9-24.
- Boistel, P.; Laroutis, D. & Tournesac, Y. (2020). Comment la perception de la transparence se construit dans l'esprit des consommateurs : une étude exploratoire. *Gestion 2000 - Management et Prospectives*, 37, 179-202.
- Bowen, H. (1953), *Social Responsibilities of the Businessman*, New York: Harper et Brothers.
- Braun, V. & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101.
- Bryane, M. (2003). Corporate social responsibility in international development: an overview. *Corporate Social Responsibility and Environmental Management*, 10, 115-128.
- Buchholz, R. A. (1991). Corporate responsibility and the good society: from economics to ecology. *Business Horizons*, 34, 19-31.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management*, 4(4), 497-505.

- Diallo, M.F., Moulins, J.-L. & Roux, E. (2021). Unpacking brand loyalty in retailing: a three-dimensional approach to customer–brand relationships, *International Journal of Retail & Distribution Management*, 49 (2), 204-222.
- Farooq, Y. & Wicaksono H. (2021). Advancing on the analysis of causes and consequences of green skepticism. *Journal of Cleaner Production*, 320, 128927.
- Freeman, R. E. (1984). *Strategic management: a stakeholder approach*. UK: Cambridge.
- Friedman, M. (1970). The social responsibility of business is to increase its profits. *The New York Times Magazine*, 33, 122-126.
- Gul Gilal, F., Paul, J. & Gul Gilal, N. (2020). Strategic CSR-brand fit and customers' brand passion: theoretical extension and analysis. *Psychology & Marketing*, 38, 759-773.
- Hildebrand, D., Sen. S. & Bhattacharya C.B. (2011). Corporate social responsibility: A corporate marketing perspective. *European Journal of Marketing*, 45(9/10), 1353-1364.
- Hoeffler, S. & Keller, K. L. (2002). Building brand equity through corporate societal marketing. *Journal of Public Policy & Marketing*, 21, 78-89.
- Keller, K. L. (1993). Conceptualizing, measuring and managing customer-based brand equity. *Journal of Marketing*, 57, 1-22.
- Knowles, J., Hunsaker, B-T., Grove, H. & James, A. (2022). What is the purpose of your purpose? *Harvard Business Review*, 100, 36-43.
- Lavorata, L. (2014). Influence of retailers' commitment to sustainable development on store image, consumer loyalty and consumer boycotts: Proposal for a model using the theory of planned behavior. *Journal of Retailing and Consumer Services*, 21, 1021-1027.
- Lavorata, L. (2022). Sustainability, Skepticism and Suspicion: What Do Consumers Think About Retailers? An Abstract. In F. Pantoja & S. Wu (Eds.), *From Micro to Macro: Dealing with Uncertainties in the Global Marketplace* (pp. 173–174). Springer International
- Luo, X. & Bhattacharya, C. B. (2006). Corporate Social Responsibility, Customer Satisfaction, and Market Value. *Journal of Marketing*, 70(4), 1–18.
- Michel, G. (2022). *Au cœur de la marque* (éd. 4è). Paris : Dunod.
- Parguel, B. & Johnson, G. (2021). Beyond greenwashing: addressing the great illusion of green advertising. *Revue de l'Organisation Responsable*, 16 (2), 59-66.
- Sen, S. & Bhattacharya, C. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, 38(2), 225-243.
- Teulon, H. (2006). Patagonia, le succès avec ou malgré le développement durable ? *Entreprises et Histoire*, (45), 1-19.
- Turker, D. (2009). Measuring corporate social responsibility: a scale development study. *Journal of Business Ethics*, 85, 411-427.
- Valette-Florence, P. & François, A. (2006). Mieux connaître le consommateur socialement responsable. *Décisions Marketing*, 41, 67-79.
- Xie, C. Bagozzi, R.P. & Gronhaug, K. (2019). The impact of corporate social responsibility on consumer brand advocacy: the role of moral emotions, attitudes, and individual differences. *Journal of Business Research*, 95, 514-530.