

Does corporate social responsibility marketing work? It depends who and where you are

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Starbucks location in Seoul, South Korea. Credit: WikiCommons

Consumers in dominant collectivist cultures, such as India and South Korea, are more likely to support corporate social responsibility, or CSR,

initiatives from brands based in their own country as opposed to foreign or global corporations, according to a new study that includes a University of Kansas marketing and consumer behavior researcher.

The researchers found this distinction matters much less to consumers in individualist cultures, such as the United States and Canada.

The study's co-author Jessica Li, assistant professor of marketing in the School of Business, said this research could provide insight to firms seeking to globally expand into developing markets in Asia or elsewhere because their marketing success in the United States might not necessarily translate in a country where consumers practice more collectivist philosophies.

"Americans are more likely to evaluate CSR independently of whether the company is domestic or foreign, and they're going to judge things on a value basis," Li said. "But if I'm a large multinational company in the United States, and I see these altruistic behaviors working well here and I think in opening a new store in Korea, I can practice the same behaviors that will lead to the same positive effects, that's not necessarily true."

Li and her co-authors Jungsil Choi, Young Kyun Chang and Myoung Gyun Jang published their findings in the December issue of the *Journal of International Marketing*.

Researchers typically consider consumers in collectivistic societies to value the needs of a group or community over that of an individual, whereby people tend to focus on the importance of the family, for example, and pursue harmony and group cohesion. Individualistic societies are considered to be the opposite.

In a series of studies, researchers conducted experiments and surveys with participants in India, South Korea, the United States and Canada,

and they examined responses to marketing that focused on [corporate social responsibility](#), or campaigns by companies that seek to boost their image of earning good will or support of certain causes in an effort to improve their reputation.

However, they found those tactics don't produce universal results because in collectivist cultures, consumers are more skeptical about CSR from a foreign company than a local or domestic one. In individualistic cultures, consumers apply the same positive altruistic attributions of companies' efforts no matter if they were foreign or domestic.

Li said, for example, if Starbucks sought to create good will in Korea by donating to a locally popular conservation society, consumers might not immediately see that as a reason to buy coffee there over a Korean-based firm. However, consumers would be more supportive of this type of marketing if Starbucks makes similar contributions over several years, she said.

"If you really show that you care, that you're supporting the cause for a long period of time, consumers are more likely to say 'they're doing it because they're a caring company,'" Li said. "Being authentic is always important, but you can't use the same strategy in a collectivist culture as in an individualistic one."

She said some multinational corporations have success by developing localized brand names, such as Coca-Cola's Kekoukele, Reebok's Rui Bu and BMW's Bao Ma to help reduce intergroup bias and help their corporate [social responsibility](#) campaigns be more effective.

However, she said the study shows that firms would be better served to conduct thorough market research before expanding into other countries, even though it might be easier and cheaper to take a shortcut and apply what has worked at home. The research also could be valuable for

companies seeking to expand within the United States because some researchers consider regions in the South particularly to be more collectivistic than individualist, such as in the Northeast, Li said.

"For collectivistic [consumers](#), you have to try to be an in-group and consider how you can change people's perceptions of why you're engaging with them. You can't just do something good," Li said. "You have to make people understand why you're doing it."

More information: Doing Good in Another Neighborhood: Attributions of CSR Motivations Depend on Corporate Nationality and Cultural Orientation. www.ama.org/publications/Journal_of_Business_Ethics/neighborhood.aspx

Provided by University of Kansas

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