

## **CSR as a Marketing Tool and Influence on Consumer Behaviour in the Food Market**

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*The submitted paper focuses on the application of CSR as a marketing tool in the practice of food companies in Slovakia. Currently, the concept of corporate social responsibility is very widespread. Making profit is no longer the only goal, companies are gradually starting to feel a certain obligation to be involved in the society in which they operate. Even the company on the Slovak food market is increasingly interested in building a good name and brand awareness through CSR activities. To achieve the given goal and obtain the required data, it was based on a questionnaire survey with a total of 946 respondents. To achieve this goal, two research questions and hypotheses were set, which we evaluated using various statistical methods. After evaluating the data obtained from the conducted questionnaire survey, it was found that the respondents do not prefer buying food from a socially responsible food companies based on advertising and that only the youngest generation Z is willing to invest more in socially responsible food products based on advertising. The survey focuses on CSR as an element of marketing communication and its influence on the formation of consumer preferences. At the threshold of the 3rd millennium, CSR is also associated with rationality and irrationality in the creation of preferences in the purchasing behavior of consumers.*

*Keywords: Corporate Social Responsibility, Consumer behavior, Food Companies, Marketing Communication*

### **1. Introduction**

Currently, the topic in the field of corporate social responsibility (CSR) is very popular and topical. In recent years, it has become necessary for companies to behave in a socially responsible manner.

Food companies on the Slovak food market are increasingly interested in building a good name and brand awareness through socially responsible activities. The public very sensitively follows the CSR activities and their promotion of each company on the market.

CSR that affects not only companies but also consumers and customers for whom these activities are communicated and used as a marketing tool. Responsible business is synonymous with trustworthiness, which leads to customer loyalty and ultimately influences consumer behaviour.

In this study, we focus on CSR as a marketing tool in the food market and the impact of these activities on consumer behaviour.

The study is divided into theoretical and research part. At the theoretical level, the study deals with the definition of social responsibility, its pillars, and the aspect of CSR. We also pay attention to CSR in the food market. The research part consists of established hypotheses and the evaluation of a questionnaire survey, focused on the impact of CSR on consumer behaviour on the food market in Slovakia.

## **2. Concept of Corporate Social Responsibility**

Corporate social responsibility (CSR) is a rapidly developing topic in recent years. Nowadays, corporate social responsibility has been followed by an even more demanding concept of sustainable development. Based on this concept, the fulfilment of social, economic and environmental goals was required over time as a holistic result of the functioning and development of food enterprises (Veveře–Svirina 2020).

Corporate social responsibility is a key issue for any organization aiming for long-term sustainability. Sometimes it is mostly a voluntary concept, which once again increases the pressure on organizations to make a positive contribution to society and reduce their negative impact on various aspects. On an international scale, governments are moving towards enforcing certain elements of corporate social responsibility, especially when it comes to environmental protection (Fáilte Ireland 2023).

The concept of CSR has evolved as a result of a change in the business perspective, which results from a limited model, mainly oriented towards profit maximization, which is largely concerned with the quality of life, the preservation of resources and the fulfilment of the general interests of society. In other words, a view included in the principles of sustainable development (Popa–Salanta 2014).

Corporate social responsibility describes how a company manages its industry and takes responsibility for its social impact. CSR includes various characteristics such as economic dependence, legal conformity, ethical requirements and social impacts (Wong 2021).

The origins of social responsibility can be traced back to ancient Roman laws. This idea and companies were preserved in English laws and later spread into the seventeenth and eighteenth centuries. During this period, author Adam Smith's (1981) states that society's needs and wants can best be satisfied through the free interaction of individuals and organizations in the marketplace. At the same time, the role of honesty on the part of all parties involved is recognized.

### *2.1. 3P of CSR*

Despite the increasingly frequent use of the phrase "corporate social responsibility" not all users perceive this term in the same way. Carroll's pyramid (Fig. 1) is one of the most frequently cited and preferred CSR models; it includes four roles: economic (offering products and services), legal (compliance), ethical (adherence to codes of conduct and ethical standards), and philanthropic (donation and volunteering) (Carroll 2016). In addition, Dahlsrud modeled a four-dimensional CSR framework. For the temporal and spatial flexibility of CSR, additional dimensions can be added. The global environment currently provides retail with many opportunities to actively participate in various corporate social responsibility efforts (Dahlsrud 2008).

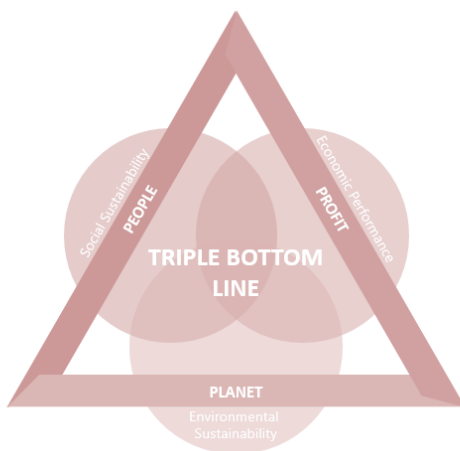
Figure 1. Carroll's pyramid



Source: own construction

Most CSR theories admit that the basis of the idea is the concept of Triple Bottom Line (TBL) (Žak 2015). This theory is also known as the 3Ps or three pillars of CSR. It states that the company should be responsible for three functions: Profit, People and Planet, i.e. economic, social and environmental responsibility. Only if a company takes care of all three aspects of the Triple Bottom Line (Fig. 2) can it be called sustainable, because they are all extremely closely related (Książak–Fischback 2017).

Figure 2. Triple bottom line



Source: own construction

Caring for a business for profit and for people makes a business fair, but failing to protect the environment will destroy the planet. On the other hand, if a company only cares about the planet and people, and forgets about profit, the CSR policy is tolerable, but the company does not achieve the necessary profits for prosperity. Again, if a company pays attention to profit and the planet, it shows less concern for people, the company is

viable and profitable, but in the long run it can lead to a decline in the morale of its employees and a violation of the social contract (Khan 2012).

In the context of CSR, investors and other interested parties have also been interested in ESG in recent years, and it is even referred to as the trend of the decade (Woldfavor 2022). ESG (abbreviation from the combination of the words "Environmental, Social, Governance) can be defined as the evaluation of sustainability using various environmental, social and management metrics used to evaluate the extent to which a company is sustainable and resilient in order to be responsible for its sustainability claims (Książak–Fischback 2017).

Many understand ESG as CSR elevated to a measurable strategy – it brings transparency and responsibility for the environmental and social impacts of a company. In its concept, CSR takes into account all stakeholders in society, while ESG focuses directly on ESG investors. ESG disclosures are linked to the competitive advantage of food companies, as the company provides sustainable solutions to environmental and social problems. In addition, by engaging in ESG activities, food companies can redefine their product offering in line with society's needs for better environmental protection and quality of life. The concept of ESG means that companies must not only report financial indicators and data, but also non-financial ones. By means of non-financial indicators, the company shows the resilience of business in terms of 3 pillars – impacts on the environment, social sphere and corporate governance (Jungbauerová 2022).

## *2.2. CSR on Food Market*

Corporate social responsibility has become a central theme in the food industry. The food industry faces a growing demand for sustainability (Westerholz–Hohler 2021). Consumer interest in corporate social responsibility (CSR) activities has increased significantly in recent years. Consumers are increasingly aware of companies ecologically, economically and socially responsible practices (Vitell 2015) and are interested in their short- to medium-term and even long-term effects.

Companies have implemented CSR measures to help the environment and be competitive in the market (Suganthi 2019); the importance gained by these practices means that most companies develop CSR strategies that are more complete and comprehensive (Kádeková et al. 2022).

In recent years, CSR has become strategically important for targeting consumers as food businesses launch their own private labels. The food business is not only the most vibrant sector, but it is also complicated and rapidly evolving, with enormous opportunities created by consumer intent. When implementing CSR strategies, businesses need to understand how consumers perceive and respond to CSR measures and activities (Kádeková et al. 2020).

There are other reasons for implementing CSR practices in the food industry (Porter–Kramer 2006). Overall, a CSR strategy has significant potential to create a sustainable competitive advantage and help expand into other countries with different cultures. From the consumer's point of view, the implementation of CSR in company strategies also has many advantages. CSR activities improve the image of both the company and the brand, which can satisfy the external audience and subsequently increase the value of stocks (Igarová et al. 2023).

Food businesses invest heavily in their marketing in the area of social responsibility (CSR) (Swaen et al. 2021). The adoption of CSR as a topic in marketing communication is of course not a completely new phenomenon. Firms have adopted various communication platforms, such as communication of CSR activities, to emphasize related topics in their communication strategy (Sahadev et al. 2022).

In the agri-food sector, food companies strive to be responsible for:

- negative impacts on the environment and depletion of natural resources and biodiversity,
- implementation of safety standards affecting people's health and life,
- application of unfair business practices due to significant bargaining power in the supply chain (Michaud 2013).

The solution to the negative image of food brands can be the correct use of responsible marketing practices based on the appropriate presentation of CSR through marketing tools. This has led many companies to develop comprehensive CSR marketing strategies and invest heavily in responsible marketing (Suganthi 2019).

The communication of CSR activities that food companies carry out is crucial for the perception of CSR by consumers. The communication of CSR activities increases the transparency of the company and promotes dialogue between companies and stakeholders, which helps to legitimize the behavior of companies, strengthening their corporate image, reputation and improving the results of relations with consumers, such as attitudes and pro-company behavioral intentions linked to consumer behaviour (Kim 2017).

### 3. Results

The aim of the contribution was to focus on the issue of CSR as a marketing tool on the food market by consumers in Slovakia. The aim of the research was to find out to what extent consumers and their consumer behaviour are influenced by the social responsibility of companies in the food market and whether they perceive these activities as a marketing tool.

In order to find out and collect the necessary information and data, we conducted a questionnaire survey using Google Forms. The questionnaire was distributed online (via social networks and email communication) and was delivered to different age categories. To ensure the representativeness of the sample, we shared the questionnaire with associations of different age categories. The age categories were divided into generations X, Y and Z. A total of 946 respondents from Slovakia took part in the research, of which 501 were men and 445 were women.

The survey consisted of 57 questions divided into 4 sections. In the sections, we investigated the general profile of the respondent, such as the respondents' general awareness of corporate social responsibility. The respondents answered the question whether the respondents know specific food companies based in Slovakia that are dedicated to and apply CSR and whether these activities influence consumer behavior and, if so, which specific age groups. Furthermore, we asked the respondents how

they perceive the CSR activities of the individual pillars and whether they perceive them as a marketing tool, and at the end of the survey we focused on questions regarding the impact of marketing communication on the consumer behavior of the respondents.

In the first hypothesis, we assume that there are differences between generations and whether they prefer to buy food from socially responsible companies that they know from advertising. Respondents were asked the question "Do you prefer to buy foods that you know from advertising?". Respondents had a choice of three options:

- Yes, I prefer
- I don't know
- No, I don't prefer

Out of the total number of 946 respondents, 319, which represents 33.7%, prefer to buy well-known foods from advertisements. 309 respondents (32.6%) do not prefer to buy food that they know from advertising. If there was no statistically significant difference between generations, there should be a similar distribution of responses for each age group. A detailed analysis of responses within each age category is shown in Figure 3.

Generation Z represents the largest group of respondents aged 18-27, consisting of a total of 336 respondents. Of these, 106 (31.5%) prefer buying food from advertisements and 122 (36.3%) do not. The percentage of people who prefer not to buy food based on advertising is highest in Gen Z.

In the least numerous generation Y, which consists of 292 respondents, the option I don't know prevails, which was chosen by 111 respondents (38%). 91 respondents (31.2%) prefer well-known products based on advertising, and on the contrary, advertising has no effect on product preference among 90 people (30.8%).

Generation X 43-57 consists of a total of 318 respondents. A total of 122 of them (38.4%) prefer to buy foods that they know from advertisements, 99 (31.1%) don't know and 97 (30.5%) do not prefer such foods. The proportion of people who prefer to buy food based on advertising is the highest in this generation.

Figure 3. Preferences of respondents when purchasing food from advertising



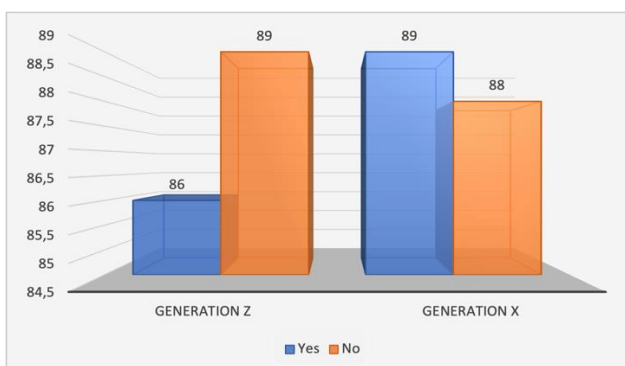
Source: own construction

For statistical evaluation of the hypothesis, we used Pearson's Chi-square test of independence. The P value of the Pearson Chi-square test of independence is 0.104. We do not reject the null hypothesis of independence. There are no differences between generations and whether they prefer to buy food from socially responsible businesses that they know from advertising.

In the second hypothesis, we assume that generation X is willing to invest more in foods they know from advertising than generation Z. Based on the obtained results, we can say that a total of 175 respondents in both generations would invest in buying food of a socially responsible product based on the advertisement they saw (Fig.4).

A total of 49% of respondents from Generation Z would invest in such foods. As for Generation X, the percentage of respondents who would pay extra or invest in such foods is 44%. When comparing generations X and Z, there is a percentage difference of about 4%.

Figure 4. Willingness to pay for food from advertising



Source: own construction

The P value of the Chi-square test using the Yates correction is 0.477. We reject the null hypothesis. Generation Z is willing to invest more in socially responsible food products that they have seen in advertising than Generation X.

#### 4. Conclusion

The topic of social responsibility of food companies in all three pillars has recently been a very extensive topic, both in the food market and for consumers. Nowadays, consumers are highly informed and have many competitive options in terms of product choices. At the threshold of the 3rd millennium, the field of CSR is also connected with rationality and irrationality by creating purchasing preferences among consumers.

In CSR activities, food businesses support human, financial and material resources for the benefit of the public. These activities are designed by companies in order to improve their reputation, gain awareness and increase the value of their brand.

The aim of the submitted paper was to focus on social responsibility activities in the practice of food businesses in Slovakia and their impact on consumer behavior. In the research, we focused on three age generations and specifically on generation X, Y and Z. However, we were most interested in the differences between generations X and Z. We assumed that their consumer behavior would also be influenced by factors such as their age. After evaluating the data obtained from the conducted questionnaire survey, in which a total of 946 respondents took part, the results showed that the preferences of the respondents when buying food that they know from advertising are very small. In the second hypothesis, we assumed that there would also be differences between age generations and whether respondents are willing to invest in food from a socially responsible company that they know only from advertising. The results showed that generation Z is willing to invest more in socially responsible food products that they have seen in advertising than Generation X.

The presented contribution supports the intentions of many researchers on the use and influence of social responsibility as a marketing tool of companies. Based on the analysis, we can say that CSR represents an important role in building the good name of companies and consumer loyalty. It is important for food companies to harness the power of the CSR concept and use credible advertising of their activities.

## Acknowledgments

The paper is the outcome of the research project VEGA 1/0404/22, “Rationality and irrationality in creating preferences in consumer shopping behavior on the threshold of the 3rd millennium”, solved at the Institute of Marketing, Trade and Social Studies, Faculty of Economics and Management, Slovak University of Agriculture in Nitra; and KEGA 030SPU-4/2022 “Implementation of selected goals of 2030 Agenda in Consumer Psychology education—Production of multimedia e-textbooks and web-based platform for the higher education”.

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