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## Corporate Social Responsibility in Retail Trade Marketing

### Summary

The aim of the paper is to present the main forces of trade environment determining the growth of the importance of the CSR conception in marketing with the indication of the target groups, the area of conducting activities, and the most typical marketing tools applied in trade. To achieve the above stated aim, an in-depth study of specialist literature, qualitative research, and observation are applied.

The results of the research show that economic, social, and technological development constitutes the most important factor that has been influencing a still growing importance of the CSR issues in the activities of retailers for many years now. The activities of retailers are based on the concept of social responsibility and lead to the creation of confidence in a company among the company's customers and other stakeholders. To do so, retailers apply a variety of marketing activities and tools, e.g. creating common values, help in case of problems, target oriented communication, etc.

**Key words:** CSR, marketing, macroenvironment.

**JEL codes:** M14, M31, M39

### Introduction

Corporate Social Responsibility (CSR) is going to constitute one of the biggest challenges for retail companies in the coming years, mainly due to the transformations, in particular those of economic, social and technological character, that are taking place in macro environment of companies.

The issue of sustainable development will be a serious challenge especially for retail trade, but it will depend on the social interest in the CSR issue. Nowadays, the majority of trade companies in many European countries do not take up the issue of CSR in their marketing activities, or if some of them do, it is done insufficiently. The impression that one gets is that producers are more interested in the CSR issue than trade.

Nevertheless, a growing number of managers of big trade companies expects the growth in the importance of CSR in retail trade in the coming years (Lux, 2013). The issue of CSR should be integrated into marketing activities of retail trade companies to a larger extent.

### Main forces of trade environment and their influence on CSR activities

For several years now, economic, social and technological transformations have been the most important ones that have a decisive influence on the still growing importance of CSR issues in the activities of companies.

Advanced globalization constitutes one of the main economic forces. Companies, including trade companies, create values on the global scale, which contributes to the growth and development of cooperation among companies. Simultaneously, the process of creating values leads to the growth of competition, extensiveness and dynamics of the activities conducted by these companies. The risk that arises due to the process is responsible for the creation of continual challenge for the managers of companies in the area of social responsibility.

Social development is another force that makes CSR issues become more important. Due to the still growing importance of companies, accompanied by the decrease in the importance of the state, public expectations of companies coping with social problems are growing. However, because of a lot of information about mistakes made by companies and recent financial and economic crises, social confidence in companies and their activities has somehow eroded. In such a situation, a certain number of standards, indexes and ranking lists has been established in order for customers, employees and investors to gain knowledge in certain areas. Another factor that proves the growing importance of CSR issues in the activities carried out by companies is the fact that in 2013 as many as 93 percent out of 250 biggest companies informed the public about the engagement in CSR issues. At the same time, there appears a still growing number of domestic and international initiatives (with, among others, private, public participation) that deal with the issues concerning the role of companies in public life and propagate the standards of social responsibility of business. The initiatives such for example, as, Global Compact UN, The Organization of Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, International Labor Organization's labor standards are counted among the most recognizable initiatives of this kind (Stierl, Lüth 2015).

Technological development is still another force that determines the growth of the importance of CSR issues. A rapid technological development that has taken place in the last few years creates favorable conditions for the exchange of information and communication, simultaneously decreasing the costs related with it. As the result, the companies functioning on the international scale are under observation all the time, which makes it possible to expose unfair or wrong behavior on the part of these companies and also it may lead to the loss of reputation and other unpleasant consequences (Stierl, Lüth 2015).

The three main forces of macroeconomic environment of companies presented above influence the growth of the importance of CSR issues in everyday activities of companies, as well as in marketing activities.

## **CSR and retailer's marketing activities**

There are many definitions of CSR. The European Commission defines CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (The European Commission... 2001) Thus the idea of CSR is understood as the companies' impact on society.

At the same time, social responsibility of a company is an integral part of its economic activities and it is not only focused on the activities addressed to public opinion (Drzazga 2012; Plichta 2012; Niedzielska 2014; Paliwoda-Matiolańska 2014; Janeczek 2016). Social responsibility of a company constitutes its keynote in accordance with which a company is engaged in strategically planned, doing good activities to different consumer groups.

CSR activities go beyond the scope of the economic area of companies, thus making social and environmental aspects of economic activities of companies crucially important (Hansen 2004). The economic activities may be conducted in any way. The boundaries of the activities carried out in the area of social responsibility of companies are limited only by their institutional frames.

The CSR concept is based on three equal principles, i.e., economic, environmental and social responsibility, the so called *triple-bottom-line*. In the case of economic social responsibility of a company, the following issues come to the fore: openness and clarity of activities, existing hierarchies, the role of the board of directors and supervisory board, and managers' incomes. As far as ecological social responsibility is concerned, a company is expected to respect natural environment. And finally, social responsibility obligates a company to build its reliability and confidence, which translates into customers' loyalty, motivating the employees, as well as creating the basis for the cooperation of a company with the world of politics (Köppl, Neureiter 2004; Gałązka-Sobotka 2009; Drzazga 2012).

The CSR concept should become the central element of business process and marketing strategies of a company (Heinrich, Schmidpeter 2013).

The integration of CSR in the area of marketing activities is based on the following:

- developing economic, ecological and social aspects by means of business activities, as well as proper positioning of these aspects with regard to stakeholders,
- informing and encouraging stakeholders, especially customers, to sustainable behavior and consumption (Stierl, Lüth 2015).

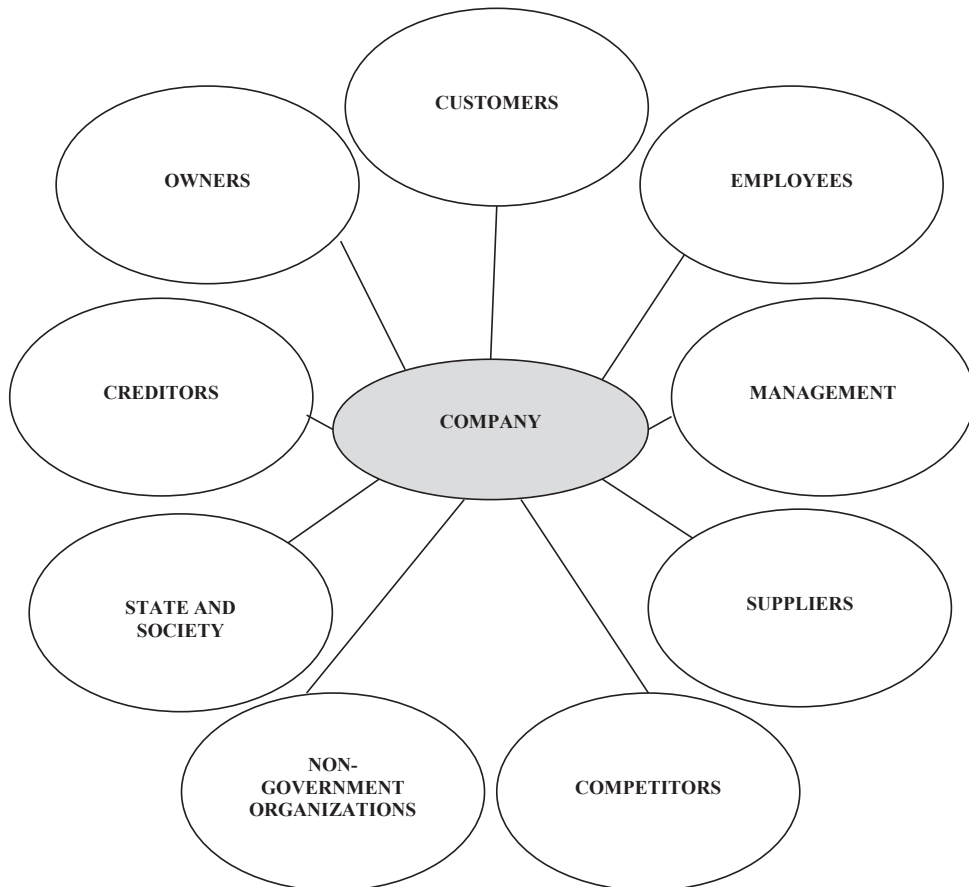
The concept of sustainable management, considered from the point of view of marketing, is regarded as part and parcel of a company's policy (used, among others, with regard to product brands of a company), and also as the condition that enables a company to survive in the modern world.

From the point of view of the marketing of retail trade companies, the issues, very often discussed in the media, such as: the production of goods and the conditions under which it is conducted, animal husbandry and treatment, preservation of natural environment and deposits of raw materials, and in particular the preservation of climate, have become very important issues for the growing number of customers which manifest themselves in their needs. At the same time, for a company, these issues open new possibilities for the diversification of its activities on markets (Büren, Eckstein, Zügler 2008). Goods that are produced in a socially responsible way respond to the needs of conscious consumption whose main aspects are health and environmental preservation (Grant 2007). In the 21st century, a new type of consumer preferring healthy and sustainable (socially responsible) life style has be-

come common. These consumers are referred to as “green consumers”, or LOHAS, which is an acronym for Lifestyle of Health and Sustainability (Bilharz, Belz 2008).

The activities of a company which are based on the concept of social responsibility should lead to the creation of confidence in a company among the company’s customers and other stakeholders (Figure 1).

**Figure 1**  
**Examples of stakeholders and their expectations**



Source: own study.

In this case, apart from the activities based on the idea of sustainable development, a good way to create confidence among customers is the cooperation of a company with extra-governmental organizations and exploiting experts’ knowledge in the area of envi-

ronmental preservation and implementation of sustainable development (Büren, Eckstein, Zügler 2008).

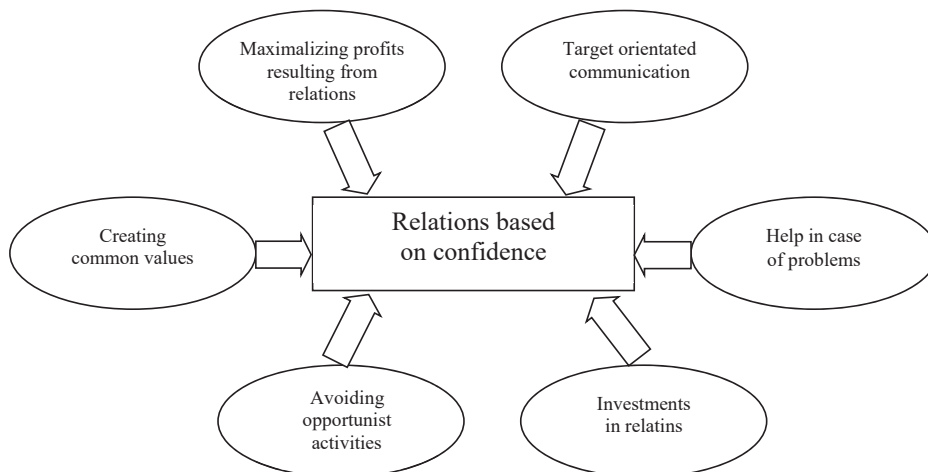
Alongside the change in customers' awareness and needs, one may observe a growing readiness on the part of customers to go to greater expenses to buy products having value connected with the company's social awareness. Thus in the marketing activities of a company the issues of value and the concept of sustainable development become interconnected.

In all the activities concerning the social responsibility of a company, its communication with customers (carried out in a clear and transparent way) plays the most important role. In academic publications, regardless of the understanding of the idea of CSR, an emphasis is put on the necessity of active communicating of CSR to various stakeholders within an organization, as well as outside it. In order to fulfil the stakeholders' expectations concerning this area, a dialogue should be expected (Pittner 2014).

Marketing communication should supply customers with certain values thanks to which they would be ready to go to greater expenses in order to purchase the products of the company applying the concept of CSR. In the process of marketing communication of retail trade various communication tools may be used, starting from traditional ones and ending up with those used in the new media.

What is also of great importance is the fact that the products of a company applying the CSR concept should be made noticeable and one should be able to distinguish them from the rest of the products offered in a given retail outlet. This can be achieved by means of the use of characteristic packaging, appropriate marketing communication activities in the

**Figure 2**  
**Creating relations based on confidence**



Source: Köler et al. (2005, p.17).

retail outlet, as well as building additional product displays (e.g. filled with the products of companies applying the CSR concept only).

Additionally, appropriate trademarks or other symbols (e.g. the so called “seals”) may be used to mark the products or services thus underlining their unique value, for example, their health, social and ecological properties. Own brand products used by such trade companies as in Germany, for instance, *Fairglobe* (Lidl), *ProPlanet* (Rewe) or *One World* (Aldi Süd) may provide a very good example. Still another possibility is marking these products with brands or symbols belonging to independent organizations which grant them to such products (e.g. *FSC*, *FairTrade*, *BIO*) (Stierl, Lüth 2015).

However, it would be worth pointing out that the concept of CSR requires a company to conduct well-thought-out activities in order to become successful. One of them is the creation of consumers’ confidence in a company (Figure 2) and at the same time impart to these consumers, clearly and comprehensibly, the values represented by the company in the area of CSR.

## Conclusions

Under the conditions of growing globalization, the activities of international trade companies have a significant impact on the living conditions and environment of people. It has to do with domestic and international markets, where the companies act on the side of supply, as well as demand. At the same time, in the case of a still growing number of customers, the most important factors determining the purchase of products are those connected with the preservation of natural environment and growing social awareness (Mayerhofer, Grusch, Mertzbach 2008). The companies’ conduct and stand on the above mentioned problems are more and more often taken into consideration in the process of product purchase.

Thanks to the development of the new media and communication technologies, customers and extra-governmental organizations that represent them are able to stigmatize irresponsible behavior on the part of trade companies. In extreme cases, a company may be pilloried by the media, thus also by the public, which in turn may result in severe consequences (e.g., such as the decrease in sales of a company’s products and the loss or worsening of a company’s image) (Schweiger, Schrattenecker 2005; Kiezel 2006).

Socially responsible conduct of companies answers to the needs of modern consumers. Marketing activities conducted in retail trade companies based on the concept of social responsibility are of great importance and should aim at creating consumers’ confidence in a company.

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## Spoleczna odpowiedzialność biznesu w marketingu handlu detalicznego

### Streszczenie

Celem artykułu jest przedstawienie głównych sił w środowisku handlowym, determinujących wzrost znaczenia koncepcji społecznej odpowiedzialności biznesu (CSR) w marketingu, ze wskazaniem grup docelowych, obszaru prowadzenia działalności oraz najbardziej typowych narzędzi marketingowych stosowanych w handlu. Do osiągnięcia wyżej wskazanego celu zastosowano pogłębione studium literatury specjalistycznej, badania jakościowe i obserwację.

Wyniki badań pokazują, że rozwój ekonomiczny, społeczny i technologiczny stanowi najważniejszy czynnik, który od wielu już lat wpływa na wciąż rosnące znaczenie zagadnień CSR. Działania detalistów są oparte na koncepcji społecznej odpowiedzialności i prowadzą do tworzenia zaufania do firmy wśród jej klientów i innych interesariuszy. W tym celu detaliści stosują różne działania i narzędzia marketingowe, np. tworzenie wspólnych wartości, pomoc w razie problemów, zorientowaną na cel komunikację itd.

**Słowa kluczowe:** CSR, marketing, makrośrodowisko.

**Kody JEL:** M14, M31, M39

## Корпоративная социальная ответственность в маркетинге розничной торговли

### Резюме

Цель статьи – представить основные силы в торговой среде, определяющие рост значения концепции корпоративной социальной ответственности (КСО) в маркетинге, с указанием целевых групп, сфер проводимой деятельности и наиболее типичных маркетинговых инструментов, применяемых в торговле. Для достижения вышеуказанной цели применили углубленный анализ специальной литературы, качественные исследования и наблюдение.

Результаты изучения показывают, что экономическое, социальное и технологическое развитие представляет собой самый важный фактор, который в течение уже многих лет влияет на все растущее значение вопросов КСО (англ. CSR). Действия розничной торговли основываются на концепции социальной ответственности и ведут к созданию доверия к фирме среди ее клиентов и других стейкхолдеров. Для этого розничные продавцы применяют разные маркетинговые действия и инструменты, напр. создание общих ценностей, помощь в случае выступления проблем, направленную на цель коммуникацию и т.д.

**Ключевые слова:** CSR, маркетинг, макросреда.

**Коды JEL:** M14, M31, M39



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