



## Impacts of Corporate Citizens' Commitments on The Moroccan Consumer

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### Abstract

Our article seeks to understand how perceptions of social and societal responsibility of brands influence the process of consumer engagement. For this, we are interested in the specific expectations of consumers in terms of the social responsibility of the citizen brands they consume.

Our results indicate that a consumer perceives a brand as socially responsible if it assumes, in addition to its environmental and philanthropic responsibility, a health responsibility for the respect of the health of its consumers. Our results confirm the influence of social responsibility perceptions on consumer engagement with the brand and offer a new understanding of the relationship process at work.

**Keywords:** Corporate Social Responsibility, socially responsible consumption, business ethics, relationship marketing.

### 1. INTRODUCTION

We have noticed recently that the consumer is manifesting a kind of rejection and opposition toward the consumption system and commercial practices adopted by businesses. Customers are showing their concern about the market system through different actions and behavior. The latter can be expressed through collective behavior such as boycotting the businesses judged unethical, individual actions like voluntary simplicity (Leonard-Barton 1981), sustainable consumption (Dobré 2002), or even through brand rejection (Dalli, Romani et Gistri 2005) and non consumption (Stammerjohan and Webster 2002).

In front of this new paradigm, a new trend has emerged within business' models focusing on social, ecological, and ethical issues.

Thus, and as it is emphasized in this article, many customers have become aware of the power within their act of buying, which give them the possibility to punish or reward companies according to their social, ecological, and ethical performances.

Taking into consideration these facts, our article will be divided into two sections:

The first section is reserved to theoretical and conceptual approaches used in this article in order to analyze and bring to light the new customer behavior toward corporate social responsibility actions adopted by businesses.

The second section will present the methodology adopted in our empirical study, and it will also discuss the results obtained.

### 2-BUSINESSES' CORPORATE CITIZENSHIP EFFECTS ON THE CUSTOMER BEHAVIOR : THEORETICAL CORPUS

During these last years, the customers have become a very powerful stakeholder in the corporate citizenship studies and researches. In fact, the customers put the firms under pressure through many actions in order to follow and fit their practices to socially responsible standards (Shaw, Newholm and

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Dickinson, 2006).The customers make use of specific consumption behavior known as socially responsible consumption.

## 2-1 Socially responsible company, the attempt of a definition

1. In management, many scholars have let a remarkable contribution related to the company citizenship: The Stakeholder theory (Stakeholder theory ; Clarkson, 1995 ; Donaldson and Preston, 1995), Corporate Social Responsibility (Corporate Social Responsibility ; Steiner, 1972 ; Carroll, 1979 ; Brown and Dacin, 1997), Corporate Social responsiveness (Corporate Social Responsiveness ; Ackerman et Bauer, 1976 ; Frederick, 1978) and Corporate Social Performance (Corporate Social Performance ; Wood, 1991 ; Swanson, 1995).

We generally notice that a socially responsible company is opened to its environments (Utopias, 2000; MacIntosh and al, 1998), that is transparent toward its stakeholders, and it struggles to satisfy their different requirements. A good citizen must develop and sustain its relations with the key stakeholders (Waddock, 2000).

In addition to that, firm's economic goals fulfillment can't be realized by giving up other types of responsibilities: legal, ethical, and philanthropic responsibilities (Carroll, 1979). A socially responsible company must provide goods and services required by customers and at the same time respect the society values and ethics in order to be harmoniously integrated within its environment and to not "break the fragile equilibriums" (Gavard-Perret, 2000). It is for this reason, that many companies establish a process that anticipates, manage, and give feedbacks to social issues and questions generated by stakeholders' needs and expectations (Epstein, 1987).

Thus, even though Corporate Citizenship topic is frequently discussed, it is mandatory to give a clear definition for this concept. We cite the one suggested by Christian Forthomme, which precise that it is in the context of a clear vision of its long run interest that the company acts in the most responsible way when it comes to its interactions with the environment in its wider definition.

This new concept does not differ much from the Corporate Social Responsibility (CSR). Its definition contributes to the company's empowerment movement and to the dissolution of the boundaries between the private and the public spheres (Champion E. and Gendron C., 2005).

Beyond The corporate citizenship concept lies the fact that the activity of the firm is related to the community within which it operates. In addition to the rules and laws respect, the company takes part to the life of the society (Mercier S., 2004).The corporate citizen differs from the socially responsible company by the fact that it benefits from rights besides the obligations it owe to the society. It is by definition socially responsible, and including the social aspect in its mission does not spawn any tensions, despite its economic finality which is maximizing the stockholders' value. The company becomes a stakeholder to the economic agents.

Thus, even that there are many efforts to give an accurate definition for this concept, the one suggested by Maignan, Ferrell, and Hult(2000, p. 284) seems to be the most elaborated. They relate corporate citizenship to the economic, legal, ethical, and discretionary responsibilities assumed by the company and that are imposed to it by its stakeholders.

**Table 1-**Different definitions of Corporate Citizenship (Swaen and Vanhamme, 2003)

| Authors   | Definitions   |
|---|---|
| Corporate social responsibility definition by the center for young business leaders | Is socially responsible every company that acts within a codevelopment spirit with its environment and which is recognizing the responsibility related to its future                        |
| Marsden and Andriof (1998)  | The good Corporate Citizenship can be defined as the wide influences that the company has over the society in order to take advantage from them and make the society benefit from them too. |
| Maignan, Ferrell and Hult (1999)  | The corporate citizenship can be defined as the economic, legal, ethical, and discretionary responsibilities assumed by the company and that are imposed to it by its stakeholders.         |

|                 |   |
|-----------------|---|
| Warhurst (2001) | A Corporate Social responsibility strategy is defined as the internalization of social and environmental effect within the company's activities through a prevention policy. The latter should prevent pollution and evaluate the social impacts in a way that the prejudices are anticipated and avoided and benefits optimized. |
|-----------------|---|

### 2-2 Socially responsible consumption, a new concept to debate

2. Nowadays, consumption is not and end per se, it cannot define and achieve a life project, but it accompanies individuals through the realization of their project and it gives a material support. It also provides a sense of belonging that allows individuals to identify themselves as a part of a group. Consumption has always been an identity sign, which has led to the emergence of socially responsible consumption.

In its broad conception, socially responsible consumption includes all the situations where the purchasing act takes into consideration the common good. The RITIMO (Réseau des centres de documentation et d'information pour le développement et la solidarité internationale) defines this concept as below:

« The willingness to take into consideration the social, economic, and environmental consequences of our purchasing acts and consumption habits. It is about, changing the production models and the distribution channels organization, which are frequently based on unequal trade terms and the exploitation of southern countries' population in a way that opposes the human rights and labor laws ».

Marie Segurette adopts this definition of Socially Responsible Consumption:

« By socially responsible consumption, we mean products consumption that has sales argumentation done through production and/or distribution aiming the common good ».

To have a closer look at this concept, Roberts (1995) puts forward two dimensions of the customer consumption:

- An environmental dimension : it is about avoiding to purchase products that are having negative impact on the environment
- A societal dimension : it is about avoiding to buy products from companies that do not respect the wellbeing of the society

After a qualitative study and a literature review, François-Lecompte (2005) determines five dimensions:

- The company's behavior : it is about to reject to buy from companies judged as irresponsible
- Purchasing sharing-products : it is about purchasing products that reserves a part from sales for a good cause
- The willingness of helping small retailers: it is about not purchasing only from big companies but also retailers.
- Taking into consideration the geographical origin of the products : it is about giving the advantage to national products
- Reducing over-consumption : it is about the fact that the consumer avoids over-consumption

### 2-3 The impact of CSR on customer behavior

3. Today, many customers have adopted the values of responsible consumption. They prefer paying a premium price for products and services which are providing, in addition to the satisfaction of their functional need, some other benefits to the community. The emergence of fair trade labels or cause-related marketing products is confirming this tendency.

The company's involvement in the society, backed up with a strong corporate communication, would bolster its reputation, attract more customers, and thus, decrease the churning rate.

There is also the fact that when customers are identifying CSR actions deployed by companies, they don't hesitate to give them support through difficult time and be indulgent toward them through communication crisis or financial turmoil.

Thus, the firm's CSR commitment can have different impacts on their performance, reputation, employees and customers satisfaction.

As a consequence, placing the customer as a major stakeholder in the implementation of a successful CSR policy within companies, helped in developing literature review related to the impact CSR perception on the brand-customer relationship.

Literature review in relationship marketing emphasize that cumulative satisfaction, trust, and brand commitment can be dissociated and employed as a causal chain « cumulative satisfaction → commitment → loyalty » (N'Goala, 2000 ; Aurier, Bénavent et N'Goala, 2001 ; Gustafsson, Johnson and Roos, 2005).

### **3- EMPIRICAL STUDY ABOUT THE IMPACT OF CSR ON THE MOROCCAN CUSTOMER BEHAVIOR**

The implementation of CSR policy within companies has as objectives not only to enhance brand image and reputation, but also to build a strong relationship with employees.

However, in Morocco, few studies have been achieved to assess the impact of brands perceived as socially responsible on the customer decisional process.

#### **3-1 The construction of the quantitative study**

As objective to test the causal structure of the research model and also to characterize the hypothesizes, which are connected to the causal relations between different concepts that are: perceived CSR, brand trust, and brand commitment.

##### ❖ Construction and selection of the measuring instruments

In order to create a questionnaire, the researcher has to follow a number of steps and question him/herself about the information needed to achieve his/her analyses. The questionnaire creation requires also the selection of the measuring instruments and the determination of the questionnaire structure that can facilitate the completion by the respondents ((Evrard, Pras and Roux,. 2003).

The measuring instruments selection is a crucial step, since, they have to be reliable, valid, and they should be aligned to concepts' definition adopted in the study.

Thus, we will select many criteria that will help us to choose the adequate measuring instruments for each one of our concepts. The measuring instruments have:

4. • To be aligned to the concepts definition
5. • To be accepted and used by the experts
6. • To be reliable and valid and demonstrate these characteristics in some previous research studies

##### ❖ Perceived CSR scale

At the end the exploratory phase of the quantitative study, we have selected several adjectives related to the customer perception of company. We did also ask our respondents to suggest items formulations for these adjectives. Our final choices for the perceived CSR are as bellow:

- Not employing child labor,
- Operating without polluting,
- Respecting employees' rights,
- Respecting animals and not torturing them,
- Donating a portion of their sales to people with specific needs,
- Donating a portion of their sales to cultural and sporting activities,

##### ❖ The customer reaction scale toward their CSR brands

In order to explain the customer commitment toward its CSR brand, we have selected to the Moulins and Roux (2010) model, which emphasizes three variables: trust, commitment, and identification.

Our final choice for the customer reaction scale is as below:

- The safety
- The guarantee
- The quality
- The honesty
- Showing concern for customers,
- The loyalty

##### ❖ The sample construction

Our study we have chosen the non-probability sampling method, and we are going to make use of the quotas sampling method. Even though, it is less precise and less reliable than the probabilistic sampling method, it presents many advantages; it can be deployed for reduced samples, it is not costly, and it provides results rapidly. Quotas sampling is a technique wherein the assembled sample has the same proportions of individuals as the entire population according to the characteristics empirically chosen.

The target of our study is the population characterized as following:

- Women and men of 20 years and more

- Living in these cities : Rabat, Casablanca, and Mohammedia
- Most of them are : executives, employers, and self-employed persons
- With an income higher than 7.000MAD

We precise that we are using a sample of 200 individuals, and as a software we opted for SPSS.

The results will be articulated around two broad focuses.

### **3-2 Customer behavior as a response to the CSR actions of the companies**

Through this study, our ambition is to evaluate and highlight the nature of the commitment that Moroccans have toward CSR values through their consumption decision making process. First we will measure their sensitivity (that we doubt to be very high), then we will confront it to their real implication (that we doubt to be low) when it come to buy a product labeled as a CSR, or, at the opposite, when it comes to boycott a product that does not fit in this category.

❖ Moroccan show a high sensitivity toward CSR values in their purchasing act

The sensitivity of Moroccan customers related to responsible consumption is relatively confirmed: 44% among them state that they are taking into account, within their purchasing act, CSR actions. (for instance : not using child labor, not making animals suffer, and not polluting...)

However this behavior did not reach all the society strata with the same pace. In fact, it is individuals with higher income and living in urban areas that are the most sensitive to the CSR actions.

❖ The socially responsible commitment the most valorized these days is : not deploying child labor.

At this level of the analysis, we question ourselves about the socially responsible commitments to which the customers are the most sensitive. Two decision variables are highlighted: the first one is « not employing the child labor » (30%) and « operating without polluting » (27%). « Respecting employees' rights » figures at the third place with only 12%.

The choice of not employing child labor is well justified with the development of humanistic concerns in Morocco.

❖ Socially responsible commitments : a marginal purchasing criterion explained by doubts toward companies' honesty.

It is obvious that the socially responsible consumption is still representing only a niche market in, but its growth rate is skyrocketing. Thus, we wonder if the companies are honest when they use CSR concept as an argument for selling their product.

Many customers think that companies are being opportunistic, since they make use of ethical argument to achieve commercial goals. Almost eight Moroccans out of ten seem to be convinced of that fact , and only 18% think that companies are honest when they use such arguments.

This, is one of the one of the impediments for the socially responsible consumption development. Customers have many doubts about the socially responsible commitment pretended by companies. The most surprising, is that there seem to be a relative consensus about the companies' opportunistic behavior.

❖ Why an eventual boycott seems appropriate : child labor is what the society can't tolerate the most

We have already mentioned that the socially responsible commitment can be manifested not only through the deliberate choice of acquiring a determined good or service, but it can also be displayed through the rejection to buy certain goods or services.

While inspecting the different reasons that push customers to boycott some products, three important reasons emerge :

7. • Child labor is mobilizing the most important part of the population, 36% of the respondents state that they will boycott a product if the company deploys the child labor in its operations.

8. • The second reason that leads to the boycott is when companies are laying off employees despite the fact that they generate huge profits. 15% of the respondents confirm this trend.

9. • Almost at the same level, 14% of the respondents confirm that boycotting the products of company is due to their polluting activities.

Finally we will keep two major remarks:

- For an important part of the population, there are always several reasons that can lead to the boycott of certain products

- The proponents of socially responsible values( not deploying child labor, absence of pollution...) are always putting forward the same cause as the first reason justifying an eventual boycott, which is the deployment of child labor. In fact, 36% of the respondents agree on that.

### 3-3 The customers predisposition to change their behavior with regards to socially responsible brands

10. Our results confirm the presence of a positive influence of social responsibility commitment perceived by customers on their relationship with the brand.

We will demonstrate the important effects generated by the identification, the trust, and the commitment on the relationship between the perception of the brand social responsibility and the customer commitment.

This identification generates both trust and emotional attachment toward the brand which lead to a customer brand commitment. Thus, the more the customer identifies him/herself to the brand, considered as socially responsible, the more his/her trust and emotional attachment toward it increase, which also lead to a brand commitment.

Once we test the CSR over the customer's commitment, we will move to test the hypothesis verifying the relation between the customer commitment and each of the three other elements, which are : the identification, the emotional attachment and the trust.

The significance tests control show that almost all the hypotheses are verified at a significance level of 0.1%.

**Table II.** The following table presents the results of these tests

| Hypothesis   | Relation  | Standardizes Coefficient | Probability | Decision        |
|--|---|--------------------------|-------------|-----------------|
| <b>H1 :The perceived Brand Social Responsibility impacts positively the brand identification</b>         |   |                          |             |                 |
| H1a  | Philanthropic activities -> Brand identification              | 0,357                    | p< 0,001    | <b>Accepted</b> |
| H1b  | Environment respect ->brand identification                    | 0,279                    | p < 0,05    | <b>Accepted</b> |
| H1c  | The respect of customer wellbeing ->brand identification      | 0,279                    | p< 0,001    | <b>Accepted</b> |
| <b>H2 : The perceived Brand Social Responsibility impacts positively the brand trust</b>                 |   |                          |             |                 |
| H2a  | Philanthropic activities ->brand trust                        | 0,281                    | p< 0,001    | <b>Accepted</b> |
| H2b  | Environment respect ->brand trust                             | 0,086                    | P= 0,205    | <b>Rejected</b> |
| H2c  | The respect customer wellbeing->brand trust                   | 0,391                    | p< 0,001    | <b>Accepted</b> |
| <b>H 3 : The perceived Brand Social Responsibility impacts positively the brand emotional attachment</b> |   |                          |             |                 |
| H3a  | Philanthropic activities -> Brand emotional attachment        | 0,416                    | p< 0,001    | <b>Accepted</b> |
| H3b  | Environment respect ->Brand emotional attachment              | 0,164                    | P= 0,008    | <b>Accepted</b> |
| H3c  | The respect of customer wellbeing->Brand emotional attachment | 0,286                    | p< 0,001    | <b>Accepted</b> |

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According to the results obtained, we can assume the CSR affects positively the commitment's antecedents.

Indeed, we can provide three main conclusions :

- The customer brand identification is more explained by the philanthropic activities than the two other dimensions
- The respect of customers' wellbeing has the greatest effect on brand trust.
- Philanthropic activities are having an important effect on the brand emotional attachment.

#### 4- CONCLUSION

The objective of our research was to analyze the CSR effect on the Moroccan customer behavior. For this purpose, we have empirically developed and tested measuring tools that allowed us to assess the customer perception of socially responsible brands.

The analysis of the data collected from socially responsible companies and customers questioned in our survey, led to two main conclusions :

**The first conclusion:** Moroccan companies are aware of CSR tools and principles. They define CSR as a commitment to take into consideration social and environmental factors within their activities.

**The second conclusion :** Despite the fact that many companies emphasize the importance of the CSR in their brand management, as far as we know, in Morocco, there are no studies that attempt to relate social responsibility to the brands. However, the Moroccan customers have a growing tendency to include CSR actions in the evaluation of the brands they consume (Micheletti, 2004; Moisander, 2007; Young and al., 2010).

Thus, evaluating the brands' social responsibility from the customer perception angle has become a crucial stake for marketers and companies.

As every research work, our study includes a certain number of limits that we must disclose. We consider the limits of our research study as others avenues for researches, and we do invite marketers and companies to dig further in this field.

- A static vision of the relationship.
- A relatively reduced sample.
- A second order model of the customer perception to socially responsible brands

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