

The Role of Corporate Social Responsibility as a Factor of Consumers' Decisions While Purchasing Carbonated Soft Drinks

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Abstract

By imposing sustainable production and consumption practices as a part of the overall concept of sustainable development of modern business, the importance of the role of Corporate Social Responsibility (CSR) in different spheres is growing. This report examines the feasibility of this concept in the market for carbonated soft drinks in Bulgaria by thoroughly exploring consumers' understanding of CSR and diagnosing in a comparative manner the latter's role as a consumer choice factor in decision-making while purchasing soft carbonated drinks. The result of an empirical study among 276 respondents is presented.

Keywords: Corporate Social Responsibility; sustainability; consumer choice; decision-making factors; carbonates

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Introduction

Natural economic logic implies that companies are created and managed in order to generate profits by satisfying a certain set of market desires and needs. However, the changed paradigm of traditional business shows that over time, a significant part of the public begins to expect companies not only to achieve good economic results but also to be catalyzers for the sustainable development of the society. There are an increasing number of business organizations from different spheres that are actively looking for ways to meet this challenge. Corporate Social Responsibility (CSR) is emerging as an effective means of achieving a lasting balance between the realization of corporate interests aimed at maximizing profits and maintaining competitive superiority through "sustainable production" on the one hand and the drive in the society for social, economic and environmental justice, expressed through "sustainable consumption", on the other hand.

Empirical research results

Carroll's pyramid has an important role in clarifying the essence of CSR. Considering the social responsibility of companies as a set of economic, legal, ethical and philanthropic responsibilities, Carroll's theory states that the long-term sustainability and success of business organizations requires them to take responsibility for their impact on all of their interested parties which is exactly their social responsibility. This understanding of CSR is embedded in the research tool box of the empirical study among 276 respondents. The purpose of this report is to explore in depth the consumers' understanding of CSR and to diagnose in a comparative manner its role as a factor for consumer choice in purchasing carbonated soft drinks.

The collected and processed data from the conducted empirical study in its full scope and scale show that in the market of carbonated soft drinks in Bulgaria there is a segment consisting of a serious percentage of consumers who identify themselves as "sophisticated"¹. They have a strong ethical awareness and ethical consumer behavior. In this sense, it is not surprising that the users of carbonated soft drinks have a good general understanding of the essence of CSR (average grade of claim 14 - 4,00) (Table 1) . The percentage distribution of responses and the calculated average estimates suggest that respondents associate CSR mainly with: (1) ethical behavior by companies

¹ In foreign language literature, this segment is defined as "sophisticated". The lack of direct and accurate translation of the foreign word "sophisticated" into the Bulgarian language justifies use of its synonym. For this reason, "sophisticated" clients identify themselves as "fine". Another possible translation - "complex" customers, more competent than others; with requirements that allow their classification as complicated consumers in the service process.

that does not harm people and the environment (average estimate - 4.03); (2) production of high quality products (average estimate - 4.06); (3) use of recyclable, recycled and/or biodegradable packaging (average estimate - 4,02); and (4) control of the impact of the production process on the environment (average estimate - 4,03).

Table 1. Essence of CSR – consumers' perspective

For me, CSR means ...:	1	2	3	4	5	Mean	Std. Deviation	Dispersion [= Std. Deviation / Mean] * 100 =%
	1 - I totally disagree 5 - I totally agree							
1. The company makes a profit which is invested in protecting the interests of its interested parties (owners, suppliers, employees, customers).	5%	18%	25%	30%	22%	3.45	1,160	34%
2. In all aspects of its business, the company observes compliance with applicable laws.	2%	13%	20%	22%	43%	3.91	1,158	30%
3. In all aspects of its business, the company strives for ethical behavior that does not harm people and environment.	2%	15%	13%	20%	50%	4.03	1,167	29%
4. The company produces high quality products.	2%	13%	14%	19%	52%	4.06	1,160	29%
5. The company uses its production resources efficiently.	3%	14%	16%	29%	38%	3.87	1,144	30%
6. The company uses recyclable, recyclable and/or biodegradable packaging.	3%	11%	16%	22%	48%	4.02	1,150	29%
7. The company monitors the overall impact of its production process on the environment.	3%	13%	14%	18%	52%	4.03	1,209	30%
8. The Company provides financial, material means and other resources in order	3%	12%	20%	31%	34%	3.83	1,115	29%

to increase information and concerns about a particular cause.								
9. The company engages on the basis of sales of a particular product or by donating a percentage of its total profit to support a particular social cause.	2%	13%	21%	28%	36%	3.83	1,100	29%
10. The company creates and supports campaigns to change public behavior aimed at improving public health, security and well-being.	1%	14%	20 %	29%	36%	3.84	1,097	29%
11. The company engages in charity, sponsorship, donations.	1%	12%	25%	25%	37%	3.83	1,110	29%
12. The company encourages its employees to volunteer for the benefit of society and environment by participating in local public organizations and causes.	3%	14%	24%	29%	30%	3.68	1,134	31%
13. The company voluntarily engages in activities beneficial to society and environment.	1%	13%	19%	31%	36%	3.88	1,072	28%
14. The company strives for complex implementation of all of the above statements.	1%	10%	17%	29%	43%	4.00	1,080	27%

Despite good understanding of the essence of CSR, the results from the survey show that the latter is not among the leading factors while choosing a carbonated soft drink.

The factors with the greatest impact in the decision-making process while purchasing carbonated soft drinks are the taste of the product and its quality in terms of nutritional content and ingredients (Table 2). The presence of the latter factor is not surprising considering the survey respondents' profile. As already mentioned, the majority of respondents identify themselves as "sophisticated" which means they are more demanding in their choices, especially with regard to the quality characteristics of products and the effects of their consumption both on health and on the environment.

Table 2. Factors while choosing a carbonated soft drink

Factor	1	2	3	4	5	Mean	Std. Deviation	Dispersion [= Std. Deviation / Mean] * 100 =%
	1 - Not important at all 5 - Very important							
1. Product taste	2%	10%	5%	17%	65%	4.32	1,112	26%
2. Product quality (nutritional content and ingredients)	3%	11%	10%	26%	49%	4.07	1,151	28%
3. Price of the product	3%	13%	17%	35%	30%	3.76	1,121	30%
4. Availability of a promotional offer (promotional price / price discount, additional quantity of the product at unchanged price or additional pieces of the product at the price of one product unit).	4%	13%	20%	35%	28%	3.70	1,135	31%
5. Effective advertising message	13%	23%	33%	23%	8%	2.89	1,133	39%
6. Accessibility of the product	2%	11%	22%	39%	27%	3.77	1,022	27%
7. Company's commitment to CSR	4%	12%	24%	44%	16%	3,55	1,038	29%

Advertising has the least impact on consumer choice. Significantly more important for consumers are the other elements of the marketing mix - price / price promotions and distribution (accessibility) of the product. Consumers place "the company's commitment to CSR" after price and distribution, but before advertisement. This penultimate position is due to the fact that not all respondents recognize CSR as a significant consumer choice factor. In particular, only 165 of the 276 respondents responded positively². However, 72% of them stated explicitly that in comparative terms CSR has a considerably higher weight compared to other factors (Table 3).

Referring to the statements describing the nature of CSR (Table 1), a significant part of consumers (about 64%) in almost equal proportions recognize the carbonated soft drink brand they most like, as well as the brand they most often buy, as social responsible (Tables 4 and 5). In this regard, it is important to note that for the purposes of the conducted research the brand of carbonated soft drink and the producer/bottling company of this drink are perceived to be the same. This implies that the engagement of the company with CSR and its activities in this area are equally important for its branding and help to position the brands as socially responsible.

² It is quite natural that there are consumers for whom CSR is not critical while choosing a carbonated soft drink. Respondents' profiling showed that 13% of them did not self-assess themselves as "sophisticated" and another 13% had difficulty in identifying themselves. For these two segments CSR cannot be a factor in decision making, the elements of the marketing mix are significantly more affecting which is reflected in their relatively higher average estimates.

Table 3. Importance of CSR compared to other factors

Degree of importance of the engagement of the company with CSR compared to all other factors	1	2	3	4	5	Mean	Std. Deviation	Dispersion [= Std. Deviation / Mean] * 100 =%
	1 - Not so important 5 - Very important							
	-	3%	25%	52%	20%	3.89	0.749	19%

Table 4 and Table 5. Correspondence between the most frequently bought and the most liked brand in terms of their engagement with CSR

To what extent the brand of carbonated soft drinks you buy most often can qualify as a socially responsible?	
It is definitely not socially responsible	0 (0.4%)
Rather, it has no characteristics of socially responsible, but it demonstrates sporadic acts of responsible behavior	3%
I cannot decide	33%
Rather, it can be defined as socially responsible, but does not meet all of the above statements	40%
Yes, it is certainly socially responsible	24%

To what extent is the brand of carbonated soft drinks that you prefer/ like the most can be defined as socially responsible?	
It is definitely not socially responsible	0 (0.4%)
Rather, it has no characteristics of socially responsible, but it demonstrates sporadic acts of responsible behavior	4%
I cannot decide	33%
Rather, it can be defined as socially responsible, but does not meet all of the above statements	39%
Yes, it is certainly socially responsible	24%

Considering the fact that a significant number of consumers consider branded soft drinks that they most like and most often buy for socially responsible, it is admissible to interpret Table 6 as a peculiar ranking of these brands in terms of their social responsibility.

Based on the foregoing and mostly based on the data presented one definitely can summarize that the brand Coca-Cola is the most liked, most purchased (55%) carbonated soft drink brand and it is perceived by consumers as the most socially responsible one. The latter is not surprising given the active behavior of Coca-Cola HBC Bulgaria in the field of CSR and its positioning as a good corporate citizen.

Table 6. Ranking of branded soft carbonated drinks

Carbonated soft drink brand...	which you like the most: / preference distribution in %/:	which you buy most often: / purchases distribution in %/:
7UP	0.4	0.4
Bio Zisch	0.4	0.4
Fritz Kola	0.7	0.4
Dr.Pepper	0.4	No information
Lemonade	0.4	No information
Santerra	No information	0.4
Beana	No information	0.4
Soda	No information	0.4
Carbonated drink with Mojito taste	0.4	0.4
Drink on promotion	No information	0.4
Drink from IKEA	0.4	0.4
Tonic	0.4	0.4
Mirinda	0.7	0.7
Kinley	1.4	1,1
Sprite	1.8	1.1
Devin carbonated water	1.4	1.4
Mihalkovo carbonated water	1.4	1.4
Derby	2.9	4.3
Cola	5.1	5.4
Schweppes	6.5	5.8
Pepsi	9.1	7.6
Fanta	11.2	12
Coca-Cola	55.1	55.4

The data in Table 6 also shows that there is rarely a discrepancy between preferences and behavior of the customer. The latter usually buy what they like the most. Though not so significant, differences were observed in the following brands: Kinley, Sprite, Schweppes and Pepsi - consumers of state that they like these brands, but this does equivalently correspond to their consumer behavior. The reason for this discrepancy for the first three brands can be found in the fact that their consumption has certain seasonality - they are perceived as a suitable addition to certain alcoholic drinks, popular mainly during the summer months. The discrepancy with Pepsi is mainly due to the fact that in the cold market (bars, restaurants, cafes, etc.) the Coca-Cola brand is more wide spread.

Misalignment, but with the opposite sign, is also observed in two other brands: Derby and Cola - consumers buy these brands more than they like. The reason for this can be the lower price of carbonated soft drinks with this brand compared to other market offers.

However, these discrepancies vary within a very narrow range. In general, consumers of carbonated soft drinks are consistent in their actions and as a result for almost 70% of them the most liked brand matches with the one they buy most (Table 7).

Table 7. Match between the most liked and the most bought brand

When you buy a carbonated soft drink, what is the degree of matching between the brand you most like / prefer and the one you most often buy?	1	2	3	4	5	Mean	Std. Deviation	Dispersion [= Std. Deviation / Mean] * 100 = %
	1 - Never match 5 – Always match							
	1%	3%	28%	29%	39%	4.03	0.924	23%

Conclusion

In conclusion, on the basis of the presented results of the conducted empirical study it can be concluded that consumers of soft drinks in Bulgaria have a very good general understanding of the essence of CSR. However, they do not consider the latter as a defining factor for consumer choice while purchasing carbonated soft drinks. The taste and the quality of the product in the form of nutritional content and ingredients are of main importance. This suggests that manufacturers/bottling companies should work more intensely towards promoting their social engagement and effectively communicating the benefits of doing so. It is positive that more than half of consumers define the brands of soft carbonated drinks that they most like and most often buy as socially responsible. This means that there is sensitivity and search for examples of socially responsible behavior on the carbonated soft drinks market, but it depends on the manufacturers/bottling companies CSR to be established and recognized by consumers as the decisive factor in the decision-making process while buying carbonated soft drinks.

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