

Consumer Social Responsibility

We see today a serious and vociferous debate taking place around the societal role played by our major institutions. There is a profound questioning of whether the “business of business” is business alone or if corporations should serve a “higher” purpose. Much of this debate concerns what is known as Corporate Social Responsibility. Corporate Social Responsibility is a loose term that can include almost anything—from corporate philanthropy, to investments in environmental sustainability, to protecting the rights of children to having good labour relations.

What is interesting about the rise of Corporate Social Responsibility, and the discussions around the nature of civil society, is the extent to which it ignores almost completely the role played by the everyday individual as a worker, consumer, or simply interested or uninterested bystander. Like many political debates it is very easy to lose site of the common man and woman, except as they appear periodically as statistics in a poll or as stereotypical self-interested consumers or downtrodden third world sneaker factory workers.

For the last five years the Centre for Corporate Change, with funding from the Australian Research Council, has been examining the other CSR—*Consumer Social Responsibility*. These studies have applied a host of methodologies in a wide range of countries to the examination of individual valuation of social attributes in products (such as labour rights and environmentalism) and their reasoning behind their lack of social consciousness.

We show that consumer survey results cannot be believed and that more innovative approaches give a more accurate picture of what really matters to the average individual. These approaches utilize a mixture of structured experimentation, field research and interpretative methods that give a triangulated picture of consumers social positioning. This work is preparing to be globalised as a general methodology that allows for the creation of an economic, social and political inventory that will track the value structures of individuals.

An example of a component of the current work is exemplified in the attached DVD entitled “Why Consumers Don’t Behave Ethically” produced by Professors Belk, Devinney and Eckhardt. This documentary discusses how people in eight different countries rationalise shopping behaviour that may involve purchasing products produced with substandard labour practices, animal testing and environmental degradation or may be counterfeit.

Here are a (very) few examples of other findings from our research:

- In surveys everyone appears to care; in behaviour the real question is “how much” such caring costs. To solve this we estimate people’s “reservation prices” for caring.
- Consumers will not consider social issues in products where the functional features do not meet specific standards. They will only consider the social issues when the functional issues are taken from the table.
- Individual concern for specific social issues is quite invariant to country culture. Individuals in less developed countries—e.g., India or Turkey—have preferences that are not dissimilar to those in developed countries—e.g., Germany or America. CSR is not a phenomena confined to Western liberal democracies. However, individual rationalisation of behaviour is culturally dependent.

This work is expanding continuously and being applied in projects across the globe. If you would like more information about this work or want to be involved with it, please contact Pauline Olive at (02) 9931 9502 or ccc@agsm.edu.au.