## Corporate Social Responsibility Prof. Aradhna Malik Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

# Lecture – 55 Consumer Social Responsibility (CnSR)

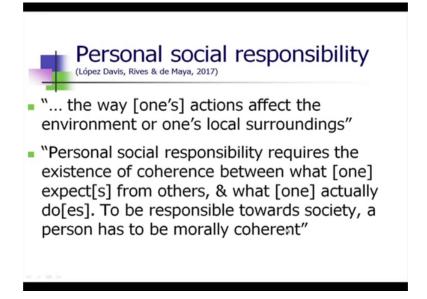
Welcome back to the MOOC course on corporate social responsibility. My name is Aradhna Malik and I am helping you with this course and we are in the final module the last module of the course now. So, you know we are discussing a verity of things now this particular lecture deals with if an aspect of corporate social responsibility called consumer social responsibility. So, very very interesting concept it has been in existence for a while, but its gaining momentum now and let us see why and how that is happening.

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Consumer social responsibility the abbreviation that is used in a academia is Cn C small n S R or C under lower case n and S and R it stems from personal social responsibility.

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So, let us see what personal social responsibility is personal social responsibility is the way ones actions affect the environment or ones local surroundings. So, my own responsibility as an independent person towards my environment is my personal social responsibility.

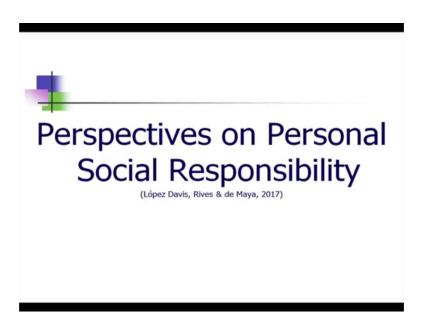
Now, personal social responsibility requires the existence of coherence between what one expect from others and what one actually does to be responsible towards society a person has to be morally coherent I need to my actions and words and thoughts needs to be in coherence they needs to be along the same lines they need to be saying the same things.

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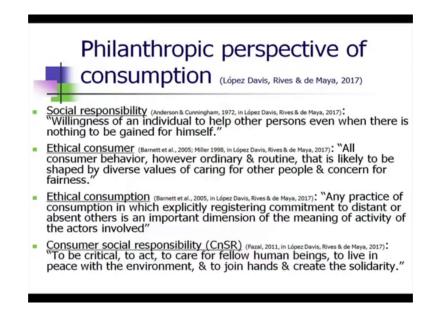
Consumer social responsibility on the other hand it stems from personal social responsibility and relates to consumption as a consumer. So, as a an individual in society I have a responsibility towards the environment that I am living in now when I talk about myself as a consumer it consumer social responsibility my social responsibility as a consumer is a function of how I consume what I consume. So, it stems from personal social responsibility and it relates to my cons consumption in my role as a consumer.

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Some perspectives on personal social responsibility these are given by a paper by Lopez Davis Rives and De Maya that was still in press when it was you know uploaded on to the database and I believe it is being published by now. So, very very recent paper and what they have done is again you know you must have seen throughout the course what I have done is I have taken the summaries which are extracts of large volumes of research and I have dugout I have dug them out from you know mountains of research that is there on the subject and I have brought them for you. So, you can get a very comprehensive view of whatever it is that we are talking about.

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So, these are perspectives on how personal social responsibility has been viewed a literature let see what these are the authors have classified these perspectives into few into various categories one is the philanthropic perspective then you have the social and environmental impacts of consumption within these you have social impacts.



And you have the environmental impacts and then you have the ethical perspective of consumption. So, these are the 3 broad perspectives and we will address them one by one.

The first one is the philanthropic perspective of consumption within this social responsibility has been addressed by various researchers and social responsibility as a subset of philanthropic or as an aspect of philanthropic perspective of consumption refers to the willingness of an individual to help other persons even when there is nothing to be gained for himself doing good for others.

The ethical consumer according to this perspective all consumer behaviour; however, ordinary and routine that is likely to be shaped by diverse values of caring for other people and concern for fairness is what an ethical consumer does ethical consumption refers to any practice of consumption in which explicitly registering commitment to distant or absent others is an important dimension of the meaning of activity of the actors involved and lastly consumer social responsibility you will see this in every category that you know consumer social responsibility is an amalgamation is the outcome of the responsibilities that have been discussed above it. So, consumer social responsibility from the philanthropic perspective is to be critical to act to care for fellow human beings and to live in peace with the environment and to join hands and create the solidarity among consumers.

Then the social and environmental impacts of consumption are another aspect of of how personal social responsibility has been viewed the socially within this the socially conscious consumer is refers to a consumer who takes in to account the public consequences of his or her purchasing power to bring about social changes and I will give you a few examples. Let us just go through this and I will tell you how you can actually bring about these chose social change even in our capacities as consumers especially in our capacities as consumers we have the power to bring about social change and to put pressure on organizations to do the right thing in the where they procured a materials in the where they process those materials in the where they produce the goods and in the where they sell an market their goods they package their goods etcetera.

Socially responsible consumption refers to those consumer behaviours and purchase decisions which are related to environmental and resource related problems and are motivated not only by a desired to satisfy personal needs, but also by a concern for the welfare of the society in general socially responsible consumer is one who purchases products and services perceived to have a more positive or less negative influence on the environment or who patronizes businesses that attempt to effect related positive social change.

An example of a socially responsible consumer would be people who buy again going back to the same example that I have been telling you right from the beginning if you buy carpets with the good view stamp or rug mark stamp on them when you are being a socially responsible consumer you are actively purchasing products that you know have not engaged child labour. So, you are contributing in your own way to positive social change and you know if everybody does their bit the companies that are not that are using children as labourers and are compromising on the fundamental rights of the children we will slowly go out of business if people stop buying carpets from them.

If you know we do not have to carpets something that we buy a may be ones in ten years. So, something you know you do not buy a carpet every day even then if all if you know a large number of people do something like this then we are contributing towards social change and especially in this day engaged consumer is the king the consumer decides what is produced how much price one pace for it the consumer decides how things are marketed consumer decides what stays in and what goes out of the market you may not believe this. But this is really a fact we have all the power in the world to make a difference to what company produce to the activities the processes of the private organizations that are especially in the profit making business through whatever channel you know through the goods and services they produce and sell to us. So, we do have that power as consumer.

Then within this the ethical consumer is one who sorry it should be busy I am sorry one who buys products sorry about this all right the ethical consumer is the one who buys products which are not harmful to the environment and society.

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Ethically in minded consumer is are consumers are those who feel a responsibility towards the environment and or to society and seek to express their values through ethical consumption and purchasing or boycotting behaviour who choose to not patronize a service a vendor a good that has been produced you know through unethical means a vendor who engages an unethical practices a shop that does not do business the way it is suppose to be done.

The ethical consumer is the one who makes rational use of available information about free trade or corrective solutions to consider the consequences of their purchase practices.

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The social perspective of consumption from the social perspective you could have socially responsible consumer behaviour short from is SRCB; so, a person basing his or her acquisition usage and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long run beneficial impact on society.

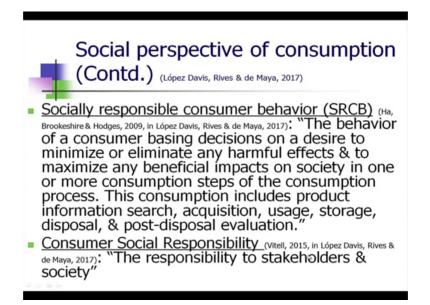
An example of this is that you through the recyclable products into Benz marks specifically for that purpose when you go to the market you do not ask for the polythene bags you carry your own cloth bag with you and you put whatever you buy in the same cloth bag of course, you know it I know polythene bags have been banned and it becomes very difficult to survive without a polythene bag ex especially since we when used them especially in the rainy season. However, one can minimize that we could have one large polythene bag in which you could put all the smaller paper bags containing various things especially vegetables and you could go you know you could use those or better still you could use the biodegradable plastic. So, there is polythene bags are not completely banned there is a grading of the polythene bags and you can buy the ones that are permitted by the by the government.

So, you know. So, you engage in socially responsible consumer behaviour you return biodegradable products to biodegradable pits have biodegradable pits in your community you know as far as say you have tea leaves for example, in India we drink a lot of tea all of us to and. So, you know you could dispose after tea leave may be you could just put them in say flower beds or flower pots and you know that way they could be recycled and their nutrients can be used.

So, we are engaging instead of just throwing everything you know biodegradable and non biodegradable products together you could just mix tea leaves with excurse and put them in your pots in your plants and they serve as a excellent manure. So, you know that is one way of channelling what you do and they you know once they mixed with them at they do not even sting. So, you wash the excurse and tea leaves and you just breakup the excurse and you put it in the flower pots and it makes excellent manure your plants with will flourish and they will be no damage to the environment you know you do not just put them in polythene bag and throw them on the side of the road that is not done.

So, that is socially responsible consumer behaviour ethical consumerism the consumer considers not only individual, but also social goals ideals and ideologies when purchasing products and services.

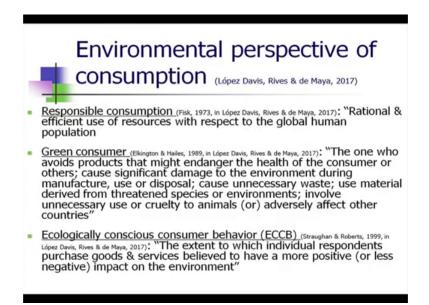
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Then the social perspective of consumption another perspective another way of looking at socially responsible consumer behaviour this was proposed by different set of authors which is Barthez feature here again the behaviour of a consumer basing decisions on a desire to minimize or eliminate any harmful effects and to minimize any beneficial impacts on society in one or more consumption steps of the consumption process. This consumption includes product information search acquisition usage storage disposal and post disposal evaluation.

So, then consumer social responsibility again we are coming to you know. So, out of all this we decide for or we gather that consumer social responsibility is the responsibility to stakeholders and society that one has alright environmental perspective of consumption.

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Now under this heading the responsible consumption refers to a rational and efficient use of resources with respect to the global human population a green consumer is one who avoids products that might endanger the health of the consumer or others cause significant damage to the environment during manufacture use or disposal cause unnecessary waste use material derived from threatened species or environments involve unnecessary use or cruelty to animals or adversely affect other countries.

So, a green consumer is one who consumes products that contribute to environmental sustainability then the ecologically conscious consumer behaviour ECCB refers to the extent to which individual respondents purchase goods and services or individual consumers purchase goods and services believed to have a more positive or less negative impact on the environment.

The ethical perspective of consumption refers to various things you know the various aspects of ethical perspectives the first one here is consumer social responsibilities. So,

cons what are the responsibilities of socially responsible consumers the moral res principles and standards that guide the behaviours of individuals as they obtain use and dispose of goods and services how do we decide what we must do and we will come to a list of consumer social responsibilities and just a little bit.

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Then we have ethically ethical consumer behaviour which refers to decision making purchases and other consumption experiences that are affected by the consumers ethical concerns we have green consumerism that which involves beliefs and values aimed at supporting a greater good at that motivates consumers purchases. So, we say you know I know some families that have completely given up using leather goods why because they do not want animals to be killed and processing of leather also damages the environment and. So, you know the first I am heard it I said what I mean we all we all like leather many of us prepared leather bags over any other kind of bags, but then there is a whole bunch of people who are means. So, socially responsible that they use only cotton cloth bags in their homes you know at work or. So, you know they have they have completely given up rexin bags and leather bags and leather shoes etcetera.

So, you must you know you must realize how difficult this maybe for a consumer oriented society, but they said no we will do our bit to not damage the environment because tannery is these you know the factories that process leather you know process the hide of animals and make it in to leather dispose of effluents that are not good for the environment. So, you will say. So, what one family is stopped using it well if there are families like that in different places may be you know I am not trying to put the leather manufacturers or the leather industry out of business no, but then may be enough pressure would be put on tanneries and on leather processing units to do something about the environment or to you know do something that is you know that indicates their concern for the environment.

So, you know may be you know some collaborative thing can be thought about in many leather manufacturers are nowadays reducing the amount of leather where they use in that goods to the dairy farmers. So, the bags itself will be made of leather and the strap will be made out of cloth and you know something like this. So, you know. So, again you know we will talk about the socially stigmatized industries in you know. So, so that is another aspect of this.

So, this is green consumerism. So, it is not go to harm the environment it is not go to kill animals. So, we will be vegetarian and we will not use leather fine great ethically minded consumers again are those who feel a responsibility towards the environment and or to society and seek to express their values through ethical consumption purchasing or boycotting behaviour you say I will not go to the shop because of the process that the shop uses to manufacture whatever it manufactures is wrong I will give you an example.

Now, there are some [FL] shops some Indian sweetmeats shops that or some dairy farmers that starve little cows you know and in the hope that especially male cows because they will not be any goods. So, the male cows are starve through death. So, that there again this is here say I do not have any specific knowledge of any particular person who is doing this otherwise I would report them, but that is not the point here the point is that I am aware that is some dairy farmers starve the meal cows and in the hope that their hide will be used by the leather manufacturers and the milk that they are entitle to will be taken and sold off. So, there are not given milk of the mothers and you know the milk is then sold off and the cows are starve to death.

Now, if you know of some place like this you know you would probably after hearing this story you would probably not want to go to that that place to buy a milk or milk products or sweetmeats because you feel that is a torturous process it is shear torture for that young life similarly there was a lot of controversy about very popular fast food chain again I will not take any names about them genetically modified chicken that they used and. So, that again you know that raised in a lot of there was public out crave or you know in other fast food chain was a cussed of using meat that was not appropriate for making its burgers etcetera.

So, again, so, all of these news an effect our definitions of what is right and what is wrong and should be support these organization should be not support them and you know depending on the severity and depending on how many people are affected by this type news or these discoveries the business could very well be put out of business if it is indeed indorsing in something unethical.

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Ethical perspective of consumption (Contd.) (López Davis, Rives & de Maya, 2017)
Ethical purchasing (Harrison, Newholm & Shaw, 2005, in López Davis, Rives & de Maya, 2017): "Ethical purchasing' [refers to a range of activities] from ethical investment (ethical purchasing of stocks & shares) to the buying of fair trade products, & from consumer boycotts to corporate environmental purchasing policies. [] Elements of concern – the product's precedence, manufacture procedures, oppressive systems, human rights, labor relations, political donations, experimental use of animals, development of weapons by various countries"
<ul> <li><u>Consumer social responsibility (CnSR)</u> (Devinney et al., 2006, in López Davis, Rives &amp; de Maya, 2017): "The conscious &amp; deliberate choice to make certain consumption choices based on personal &amp; moral beliefs"</li> </ul>

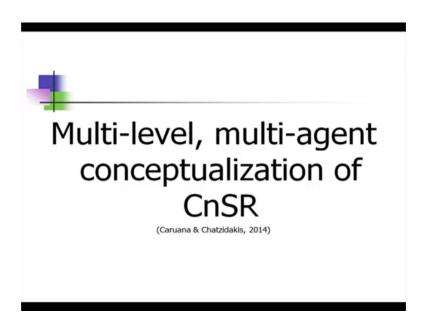
So, boycotting behaviour very very powerful all right ethical prospective of consumption ethical purchasing refers to a range of activities when we talk about ethical purchasing we are talking about you know right from ethical investment which means ethical purchasing of stocks and shares to the buying of fair trade products and from consumer boycotts to corporate environmental purchasing policies. Now elements of concern in ethical purchasing behaviour are the products precedence manufacture procedures oppressive systems labour issues human rights relations political donations experimental use of animals and development of weapons by various countries again socially stigmatize or industry. Consumer social responsibility now from the ethical perspective of consumption refers to the conscious and deliberate choice to make certain consumption choices based on personal and moral beliefs I will choose to do this because it is right to do it I will choose do not purchase the service because the weight is being produced is wrong because it relates to something that is wrong because it is from in industry that is not you know comfortable or that that produces things that that you know are not very good for the society of a human beings. So, you know. So, we will label things and we categorized them based on our perceptions and then we make judgement calls you know about these activities backgrounds products being right or wrong and we make our consumer decision based on that.

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Ethical perspective of consumption (Contd.) (López Davis, Rives & de Maya, 2017)
<ul> <li><u>Ethical person</u> (Freestone &amp; McGoldrick, 2008, in López Davis, Rives &amp; de Maya, 2017): "Individual who is likely to conform to accepted standards of social or professional behavior"</li> </ul>
<ul> <li><u>Ethical consumption</u> (Adams &amp; Raisborough, 2010, in López Davis, Rives &amp; de Maya, 2017): "Act of discreet &amp; enlightened consumer choice"</li> </ul>
<ul> <li><u>Consumer social responsibility</u> (Caruana &amp; Chatzidakis, 2014, in López Davis, Rives &amp; de Maya, 2017): "The application of instrumental, relational &amp; moral logics by individual, group, corporate &amp; institutional agents seeking to influence a broad range of consumer-oriented responsibilities"</li> </ul>
<ul> <li><u>Consumer social responsibility</u> (Quazietal., 2015, in López Davis, Rives &amp; de Maya, 2017): "The individual &amp; collective commitments, actions &amp; decisions that consumers consider as the right things to do in their interactions with producers, marketers &amp; sellers of goods &amp; services"</li> </ul>

So, from the ethical prospective of consumption the ethical person is an individual who is likely to confirm to accepted standards of social or professional behaviour ethical consumption refers to an act of discreet and enlightened customer choice consumer social responsibility to perspectives I hear the first one is the application of instrumental relational and moral logics by the individual group corporate or institutional agents seeking to influence of broad range of consumer oriented responsibilities. The next one is the individual and collective commitments actions and decisions that consumers consider as the right things to do in their interactions with producers marketers and sellers of goods and services.

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Now, the next part of today's lecture is the multi level multi agent conceptualization of consumer social responsibility this is from a paper by Caruana and Chatzidakis I hope I am pronouncing the names right in this paper was published in 2014.

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Now the authors you know describe how the how consumer social responsibilities conceptualized at various levels of activities.

So, they say at the micro level the agents are consumers the motivation motivations instrumental motivation is maximizing personal gain I am giving somebody the money I

should get product that I have paid for relational is showing care adhering to social and group norms moral perspective here moral motivation would be personal norms and altruistic concerns helping those in need doing something for others altruism is primarily doing something for others without expecting anything in return and the mechanisms to do this are purchases boycotts and protesting.

You purchase your goods and services from an organization that you know is ethically is doing the right thing is adopting the right processes is taking care of its environment you boycott organizations that are not doing the right thing for example, you know like I told you if you know of a dairy farmer who starving cows you will stop going to that shop and then the word of mouth theory comes into action you will tell ten people about this out ten may be 3 or 4 will stop going to that shop and so on. And the world will spread and slowly either this person will have to made his ways or the shop will shut sown I have seen this happening you know in the case of a place that was using dirty row material to manufacture some food items and things the place just meant out of business because people you know one person got say can the world spread and their behaviour was bad and the world spread and in other competitor came and the competitor who is doing great job and this shop you know meant completely out of business.

Then at the Meso level you have you know the agents would be families the motivations one of the agents would be families motivations instrumental motivation would be health concerns, concerns over children, well being relational concerns or relational motivation could be firming relations between family members and other referent groups morals here moral motivation would be ethics of care and the mechanisms again purchases boycotts and protesting. (Refer Slide Time: 26:51)



Then at the Meso level the agents could also be consumption communities and the instrumental motivations would be personal economic gains relational motivations could be mutual quest for community moral would be moral and political ends.

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At the macro level governments are also consumers and, so the motivation instrumental motivation would be substituting government efforts relational motivation here for consumer social behaviour could be managing relations between the state consumers and markets moral could be facilitating social justice and equality and the mechanisms here

to be a responsible consumer would be policies incentives and laws incentives for good for responsible behaviour laws to monitor policies and laws to monitor socially responsible behaviour.

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Then at the super macro level the agents would be corporations including Meso those at the Meso and the macro level motivations instrumental motivation would be doing better by doing good relational motivation would be fostering stakeholder relations moral motivation would be corporate altruism and citizenship the mechanisms here would be communication relationships and CR CSR initiatives, so, various ways in which we exercise our choices as responsible consumers. (Refer Slide Time: 28:14)



And at the super macro level the agents would be NGOs and the IGOs the inter governmental organizations instrumental motivation would be mobilizing CN consumer social behave responsibility as a means to achieving goals relational would be bridging and cementing relations between other stakeholders moral would be addressing social environmental and political aims and the mechanisms to do. So, would be lobbying and collaborations either in you know in favour of the rows socially responsible organizations and against socially irresponsible organizations.

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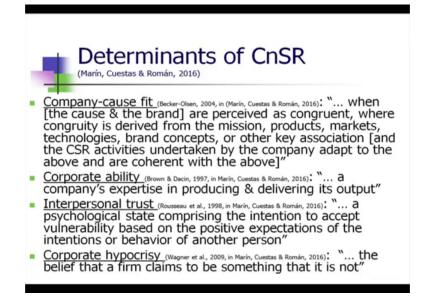


Now why or when do consumers decide to be socially responsible now this is from a paper that describes corporate socially irresponsibility, but I have taken this and applied it to consumer social responsibility because I know it I mean the relationship to this is is very relevant here.

So, repeated personal negative experiences with an organization could be one you know you identify what you are protesting against or what you want to be social responsible for there could be perceived similarity with the victims leading to emotional reactions you know there could be sympathy towards the victims these are the different reactions there could be sympathy towards the victims or there could be anger towards the corporation or sympathy towards the victims could lead to stakeholder reaction you know including the stakeholder reaction is the third phase stakeholder reaction including negative attitude towards the company leading to punitive action and or anger towards the corporation.

This could eventually you know the portion square brackets is what I have added to make this relevant to consumer social responsibility all of this could lead to consumers taking matter into their own hands there by you know becoming socially responsible consumers and saying well things are just not quaking out the way they would be we are angry yes we are pushing the government to take punitive versioning yes, but as a consumer it is my responsibility to finally, do something about it as in my power as a consumer.

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Some determinants of consumer social responsibility would be the company cause fit when the cause and the brand company cause fit refers to the congruency between the what the company does the vision mission of the company and what it helps the society with again this is a big challenge in the case of socially stigmatized organizations.

Then corporate ability refers to a company's expertise in producing and delivering its output you know are they really able to produce and deliver what they say they will developed deliver the interpersonal trust between you know interpersonal trust refers to a the psychological state comprising the intention to accept vulnerability based on the positive expectations of the intentions or behaviour of another person is that trust can you know trust the organization to do the right thing corporate hypocrisy is the belief that a firm claims to be something that it is not and that intern determines how or whether consumers take matters in to their own hands.

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Now, the last part of consumer social responsibility is an overview what kinds of social responsibilities are we talking about this is from paper by Quazi Amran and Nejati that was published in two thousand sixteen and. So, they identify six broad categories of responsibilities that consumers have and these are one consumers can support or not support business growth consumers can critically apprise the organizations that produce the goods and services for consumption they can take action against or in favour of these organizations that produce goods for consumption goods and services.

They can collectively effect social impacts collaboratively they can effect social and environmental impacts and they can you know they can encourage solidarity among consumers regarding their collective expectations from corporations as a consumer of a particular service what is it that I want this particular organization to do as say as a student of IIT Kharagpur what I am expecting from the organization you know I am a faculty member here. So, we want to know and we have a system and place where we get people's student's feedbacks and we act on it you know. So, you want to know as students can get together and say where we do not want this we get together and say we want more of this.

So, you get together with others of your own kind and have the organization or the corporation give you something that you are expecting from the organization and that is something that consumers can and should do now this is all we have time for in this

lecture and we will discuss some more about corporate social responsibility in the next class.

Thank you very much for listening.