

The not-yet-solved CSR puzzle in emerging countries: Exploring Vietnamese consumers' perception in food sector

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Abstract:

Though corporate social responsibility (CSR) is originated and well applied in western markets for long time, the western-centric CSR principles are not always effective to be imposed globally, especially in emerging countries. While CSR studies primarily focus on cross-sections rather than specific industries, there are few studies about CSR both in global scale and in emerging markets, particularly in the food sector, especially concerned by CSR. This research aims at filling the gap by studying the perceptions and responses of consumers toward CSR in the context of food sector in Vietnam, an Asian emerging country. Employing qualitative approach with in-depth interviews, this study reveals the general understanding of consumers toward CSR in food sector and five dimensions of CSR that together explain the variance in consumer responses to CSR engagement of firms. We also propose a typology of consumers toward CSR in the context of an emerging country.

Keywords: corporate social responsibility, food sector, emerging countries

Track: Social Responsibility & Ethics

1. Introduction

For decades, most of the CSR studies were conducted under the western-centric approaches (Birch & Moon, 2004), resulting in the universal CSR standards and codes nowadays. Even though these CSR attributions partly align with and may be applicable for other markets (Chapple & Moon, 2005), CSR may not be one-size-fits-all across the continents and countries. Globally, CSR studies primarily focus on cross-sections rather than specific industries (Aguinis & Glavas, 2012) and are not so numerous in food sector, an essential everyday matter and a sensitive sector because of its direct influence on human's health (Hartmann 2011).

In order to provide a nuance to the CSR palette where the western point of view is dominant, we aim to bring a perspective from emerging countries, which may be different due to their culture and socio-economic development (Hofstede, 2011). Concretely, this research explores the perceptions and responses of consumers toward CSR in the context of food sectors in Vietnam, employing qualitative approach with in-depth interviews. More precisely, this work seeks to examine the understanding of CSR concept for consumers in emerging country, its structure (dimensions), and how different they are from those presented in previous works of western countries.

2. CSR and its magnitude in the eyes of consumers

For years, the CSR concept has emerged and been refined in both theoretical and empirical studies. Already in 1953, Bowen introduced the concept in which each businessman is considered the 'servant of society' and has the obligation of fulfilling the desirability of society (Bowen, 2013). Then in 1991, Carroll proposed the pyramid model of CSR, with the highlight of 'economic responsibilities' and 'legal responsibilities' in the first and second levels of the pyramid; the third and fourth levels are 'ethical responsibilities' and 'philanthropic responsibilities' (Carroll, 1991). Examining the important pillars of firms, Elkington formulated Triple bottom line model in which social responsibilities of firms turn around three main pillars namely people, planet, and profits (Elkington, 2013). Giving no privilege to any type of responsibility, this model may be more practical and flexible for firms to prioritize one type over others, based on their corresponding stage of operation.

Under consumers perspective, CSR is considered important among factors in purchasing decision (Creyer & Ross Jr, 1997). Consumers generally show positive attitude and evaluation for firms committing to social responsibilities but do not react to CSR in the same way. The degree that a consumer supports CSR depends on the magnitude of CSR to

him or her (Mohr, Webb, & Harris, 2001). It can be explained by self-congruity theory that the purchasing behavior of a person for a brand consists with the matching of that brand to his or her self-image value (Lindquist & Sirgy, 2009). Thus, CSR may not broadly matter to all consumers but means something to those who appreciate firms' responsible engagements.

In term of cross-culture, each nation has its own characteristics, illustrated by the differences in six-dimensional comparison of Hofstede (2011). Previous cross-culture comparison shows that consumers in different countries react differently to CSR. For example, consumers in France and Germany tend to highly support for responsible business in terms of legal and ethical aspects, while US consumers highly appreciate economic responsibilities (Mueller Loose & Remaud, 2013). Although this is positive to hear, it may be too optimistic to conclude that consumer response toward CSR will be straightforward and apparent in terms of punishing bad behaviors or rewarding good behaviors of firms as emphasized by Creyer and Ross Jr (1997). Studies in the beginning of 21st century indicate that consumers still care little to socially responsible behaviors of firms and that the ethical era of consumption has not yet come (Carrigan & Attalla, 2001; Maignan, 2001).

There is no one-size-fit-all model of CSR to apply globally, especially for developing countries, due to the differences in culture and socio-economic development (Birch & Moon, 2004). Visser argued that firms operating in developing countries may have less pressure of legal responsibilities and that social needs are higher there, leading to higher expectations of philanthropic activities. Thus, the author suggested an rearrangement in the Carroll's pyramid model from economic responsibilities, philanthropic responsibilities, legal responsibilities, to ethical responsibilities correspondingly (Visser, 2008).

3. CSR in food sector in Vietnam

As said before, there can be differences in the conception and effects of CSR in developing countries compared to developed ones (e.g., Ramasamy & Yeung, 2009). Though not so numerous, previous studies indicate that Vietnamese consumers, for instance, show high concerns to socially responsible behaviors of firms (Pham, 2011; Vo, Hartmann, & Langen, 2018). However unlike Western consumers, they mostly have not yet actively fostered firms to do business responsibly (Bui, 2010). Vietnamese consumers are likely to stop buying products from irresponsible firms, urge others to do the same, or praise responsible firms by the willingness for higher price. Nevertheless, it takes time for the transmission from attitudes to real actions (Palihawadana, Oghazi, & Liu, 2016). Similar to other emerging countries (Kong, 2012; Ramasamy & Yeung, 2009), the issues of product

quality and safety are the main concerns in Vietnam e.g. the issues of fish sauce and dry hot chilies in recent years (Bui, 2010). Such serious issues that put consumers health in danger have urged them to reconsider the CSR requirements for firms (Palihawadana et al., 2016).

In short, consumers in different markets do not have the same concerns of CSR. While there are plentiful CSR researches in developed markets, the mosaics in emerging markets are still under-researched and therefore necessary to study more to get a global picture of CSR.

4. Methodology

Aiming to explore the understanding and potential effects of the CSR concept, we adopted a qualitative methodology based on semi-structured interviews. The study employed a convenient sampling with 21 participants (aged 19-59, with various occupations) in Hochiminh City, Dalat and Phu Yen of Vietnam. The interview guide went from general questions (such as buying habits) to specific ones toward firms' responsibilities in food sector. Through this process, respondents gradually revealed their own definitions of CSR (Belk, 2007). All the interviews were registered and transcribed. Coding was conducted by two persons on NVivo software allowing the frequent phrases and ideas to be grouped into themes and sub-themes. At the end of the coding process, the total themes and sub-themes include 73 items with 6 main themes. Cross-researcher reliability (Perreault Jr & Leigh, 1989) was implemented to check the similarity of coding among coders, which was acceptable (>70%).

5. Findings

The interviews resulted in the emergence of the CSR concept from the viewpoint of Vietnamese respondents and the perceived CSR dimensions.

5.1. General understanding of Vietnamese consumers toward CSR

CSR is not a term existing in daily speaking vocabularies of majority in both developed and developing countries (Hartmann, Heinen, Melis, & Simons, 2013; Ramasamy & Yeung, 2009). However, Vietnamese consumers are familiar with equivalent phrases e.g. 'business morality', 'ethical in doing business', or 'heart-centered business', which are corresponding with ethical values of Buddhism in East Asia (Hill, 2007). Dominating the daily life, the law of cause and effect in Buddhism is broadly believed that all good/bad actions of a person will lead to the consequences that person will face later. It influences the perceptions of consumers toward CSR in which good behaviors of firms are appreciated, and bad ones are criticized.

Through verbatims, Vietnamese consumers' attitudes tend to be more negative toward issues in food sector, in which extremely negative attitude is seemed to express more. This

tendency confirms the previous studies that Vietnamese consumers hold a more sensitive mindset toward CSR in terms of negative bias (Palihawadana et al., 2016; Vo et al., 2018). It's different to US consumers in the study of Mohr et al. (2001), who lean more toward positive attitude and express no extreme negative attitude.

More than price, food safety is put in the spotlight of consumers' concerns. In the last decade, Vietnamese consumers are more sensitive to the excessive usage of pesticides and unsafe process of food manufacture, facing many cases of cancer and other diseases (Bui, 2010). Through verbatims, respondents mentioned 'clean food' literally indicating safe, qualified, and proper products. They expect the products available on the food markets can meet the basic standards of safety. Besides, brand is perceived as a guarantee for quality and credibility, *"The most concern is quality and cleanness of food. 'Clean' means that products don't have bad ingredients causing cancer. Afraid of no-branded products, I see branded ones are not surely cleaner but at least better"* (Tan). This is consistent with a previous study that in food sector, brand is considered a good sign of quality (Vranešević & Stančec, 2003).

Many respondents require firms to be responsible in providing quality verification by authorized agencies. However, there is a dilemma as consumers hesitate to trust public agencies or firms. They believe that they are not protected and that their voices are not heard. Therefore, consumers tend to base on word of mouth, *"There's no confirmation from authorities for you to feel safe. I do not trust them either. On social media, if I see that Ms. X produces good fish sauce, I still buy it even though there is no verification."* (Duong)

A part of Vietnamese consumers, similarly to US consumers (Maloni & Brown, 2006), now pays more attention to organic food due to the concerns of food manufacturing, *"I choose organic products to be sure what I eat contains no chemicals, no pesticides, and no genetic modification. Buying foods now is just like tossing the dice"* (Uyen). Facing the too high price of organic products, others are back to grow organic food themselves as a temporary solution, which is an inherent trait of an agricultural country like Vietnam.

5.2. Perceived dimensions of social responsibility of firms

There are five dimensions of CSR that firms are supposed to have, including responsibilities to consumers, to environment, to society, to employees, and to firm itself.

Responsibilities to consumers: Transparency is essential in food sector (Ursin, Myskja, & Carson, 2016), so Vietnamese consumers require firms to be transparent in quality, labelling, product information, and manufacturing process without exaggeration. Mistakes may be forgiven in other sectors but not in food sector, which shows that consumers are more

sensitive in food sector than others, *“In other sectors, consumers may skip the mistake, but not in food sector. It’s difficult to forgive when we have to pay for harmful products.”* (Trang)

Vietnamese consumers prefer imported products of western countries and some Asian countries (e.g. Thailand, not China), *“Affordable people will buy foreign products. First choice comes with those from US, EU, or Australia and then Thailand”* (Tan). This is explained by country-of-origin effects that people are usually subject to nationality bias in forming the perceived quality and other associations of products (Verlegh & Steenkamp, 1999). Besides, while stakeholders including consumers usually demand more CSR disclosure of firms, e.g. consumers in food sectors in France and Norway (Ursin et al., 2016), Vietnamese consumers indicates that overwhelming information makes them confused, so they will ignore if unable to judge the accuracy of information, *“Anyone can declare that his or her firm behaves responsibly, but I don’t know it is true or not. I just go with the cheap price”* (Son). As a result, too much information contributes little difference in their purchasing behavior, which is similar to UK consumers (Boulstridge & Carrigan, 2000).

Responsible to environment: Consumers believe that a firm is considered responsible to environment once they can balance between economic effectiveness and usage of natural resources. Responsibilities to environment include investing in proper waste treatment systems, ensuring living environment of neighborhood, introducing environment-friendly products, offering recycled packages, saving natural resources, planting more trees, etc. Positive responses lie in the creative activities of firms such as using banana leaves to wrap vegetable, giving fabric tea holders and fabric bags, serving grass/rice flour/stainless steel straws, reducing plastic usage; cleaning up public spaces; or creating a better way of consumption, *“Fruits and vegetable are before covered by plastic wraps now bundled by banana leaves. We can get a discount when bringing our own cups at drink shops.”* (Trang)

Responsible to society: There is a similar insight of Vietnamese consumers to previous western studies, covering plentiful of activities that firms can perform, for instance, paying tax, contributing to solve social causes, or improving living condition of community (Dahlsrud, 2008). The bigger the scope of firms, the higher their responsibilities they should take. Firms are also supposed to create positive spillover effect such as being in charge of leveraging the longevity of Vietnamese or creating healthy eating manners, *“The most important thing of these activities is to change people’s mindset, creating a positive spillover effect that make people realize their responsibilities too.”* (Trang)

Responsible to employees: Consumers defined this type of responsibilities with the assurance of proper welfares, fair treatment among employees, good working environment,

and so on. However, many respondents concern that not all firms care enough for these responsibilities when paying low salaries, giving quite minimum welfares, and requiring employees to work more hours than written on contract. Needless to say, respondents believe that when firms complete these responsibilities, they are able to earn loyalty from both consumers and employees, *“Carrying out such activities for employees brings value to firms. When they connect their staffs together, the stay time of employees may increase.”* (Thoa)

Responsible to firm itself: Respondents believe that making profit helps firms to ensure the long-term operation. Thus, it does not make sense to focus too much on social activities while dropping the responsibilities to oneself, *“If opening a business, I will hesitate to think for society at first”* (Uyen). Profit-earning may be a priority but cannot occupy the whole pie of responsibilities. Consumers are tolerant to firms in the beginning stages of operation or during economic crisis, but when operating stably, firms must fulfill other responsibilities.

In short, consumer perceptions toward CSR are expressed through the five dimensions of responsibilities above. However, depending on the stages of operation, firms can modify suitably to fulfill those responsibilities. This is closed to Quadruple bottom line model, developed from Triple bottom line (Elkington, 2013) plus ‘future-oriented’ aspect.

6. Discussions

In this part, we propose the typology of consumers in the context of emerging countries based on the magnitude of the above dimensions to each consumer. According to theory of reasoned action by Fishbein and Ajzen (1975), behavioral intention and then actual behavior of a person result from his/her systems of beliefs, evaluations, motivations, attitude, and subjective norms.

Carrigan and Attalla (2001) introduced the typology of consumers, specifically in UK, based on ethical awareness and ethical purchase intention. Mohr et al. (2001)’s study in US proposed the typology following behavioral stages. In this study, we propose the typology following two axes including *CSR perception* and *CSR behavior*, suggesting that a certain behavior/response of a consumer (firm/product evaluation, purchase/repurchase intention, and supporting/counteracting action) is corresponding to his/her perception toward CSR.

Consumers are therefore divided into four popular types, namely *The Basic*, *The Indecisive*, *The Awaken*, *The Proactive* (see Figure 1), and an exceptional type called *The Radicalized*.

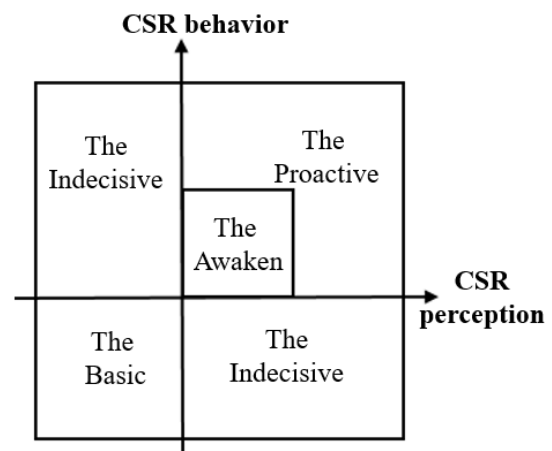


Figure 1: Typology of consumers toward CSR in emerging country

Type 1 - The Basic: The prioritized criteria of product purchase are basic such as price, quality, convenience, or promotion, *“I buy at shops close to my house and go with those having the better price corresponding with quality” (Anh)*. They are mostly low-income, may never have heard about CSR, and do not care much about issues of environment or society.

Type 2 - The Indecisive: Their perceptions and behaviors are inconsistent, confusing, and mixed up. They have heard about the concept of CSR but don't really understand and believe in it. They suppose that making profit is the main role of firms, *“The final goals of firms are profits. If they are responsible for environment, there are costs that they have to pay” (Xuan)*. They did buy for firms with CSR activities but somehow passively. Those activities are mostly promotion programs, and the price must be competitive. If other products have better price without CSR activities, they do not hesitate to switch.

Type 3 - The Awaken: They begin to support for firms engaging CSR activities and appreciate the goodwill of firms with a balanced mindset between their benefits as consumers and firms', *“I have great affection to firms with social and environmental activities. They served advertising campaigns but still better than those who didn't do that” (Duyen)*. They actively follow environmental movements, begin to use CSR as a purchasing factor, and are willing to support for social activities of firms. Before purchasing, they review the producing process, whether or not it uses animal testing, is eco-friendly, or explores children labors.

Type 4 - The Proactive: They are deeper in their perceptions and consuming behaviors. They believe that the second main role of firms must be related to doing good for society, whether bringing more jobs for community, engaging or being pioneer in social and environmental causes. They usually have great voice in their network, actively raise the issue of sustainable development, require the permanence of CSR activities, or peacefully question the firms violating environment or working conditions, *“Being responsible to community is easy to say. We need to see how firms do, whether that responsibility has a place in their business strategy and whether their strategy leans toward sustainability.” (Trang)*

Type 5 - The Radicalized: They either understand CSR very well and apply CSR in their purchase or do not care at all about CSR and its associations. They not only use their buying power as a weapon to push firms but also urge and even force others to behave the way they think. However, when defending too much for the causes, they turn out to be extreme or even unethical. They usually hold negative attitude to CSR engagement of firms and quite sure that the purpose of those activities is for sales, *“In an era that money is a priority, such good behaviors are for marketing purpose, aiming at profit.” (Uyen)*

While Carrigan and Attalla's (2001) typology is stable, consumers in our typology might move from one stage to others. On the one hand, consumers do change their behaviors when they change perceptions, and in that circumstances, they may follow the stages. On the other hand, we suggest that that a part of consumers may stay permanently in their stage. Theory of reasoned action implies that the behavioral change results from and depends on precedent elements such as beliefs, evaluations, motivations, attitude, and subjective norms (Fishbein & Ajzen, 1975). Thus, it can be inferred that once the perception of consumers toward CSR stays in a certain extent, their behavior/response may not change.

7. Conclusions, limitations and further research suggestions

Theoretically, this study seeks to provide a deeper understanding of CSR in food sector in the eyes of Vietnamese consumers, hoping to provide some pieces for the CSR not-yet-solved puzzle in emerging countries. From a managerial point of view, we hope to bring practical recommendations for firms in food sectors on the sharpest facets to focus in order to satisfy consumers in Vietnam in terms of social responsibility. Besides, several limitations of this study should be mentioned. The qualitative research was conducted in Vietnamese food sector with limited number of respondents. Thus, broader empirical studies are suggested to ensure the ability of generalizing our findings. Moreover, during interviewing process, although researchers applied possible techniques to avoid bias, a certain amount of bias is inescapable when referring the topics of ethics, business ethics, opinions, and memory.

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