



**CSR benchmarks
for consumers**

Conference
Brussels
December 18th
2006

Living wages ?
Ecological products ?
Fair prices ?
Ethical consumption ?

English Deutsch Français

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INTERNATIONAL CONSUMER RESEARCH & TESTING

EUROPEAN COMMISSION
Directorate-General for Employment, Social Affairs and Equal Opportunities
UNIT D2: European Employment Strategy, CSR, Local Development

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Do consumers care about CSR ?

Just Saying or Doing ?



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Klaus Töpfer, Executiv Director, UNEP

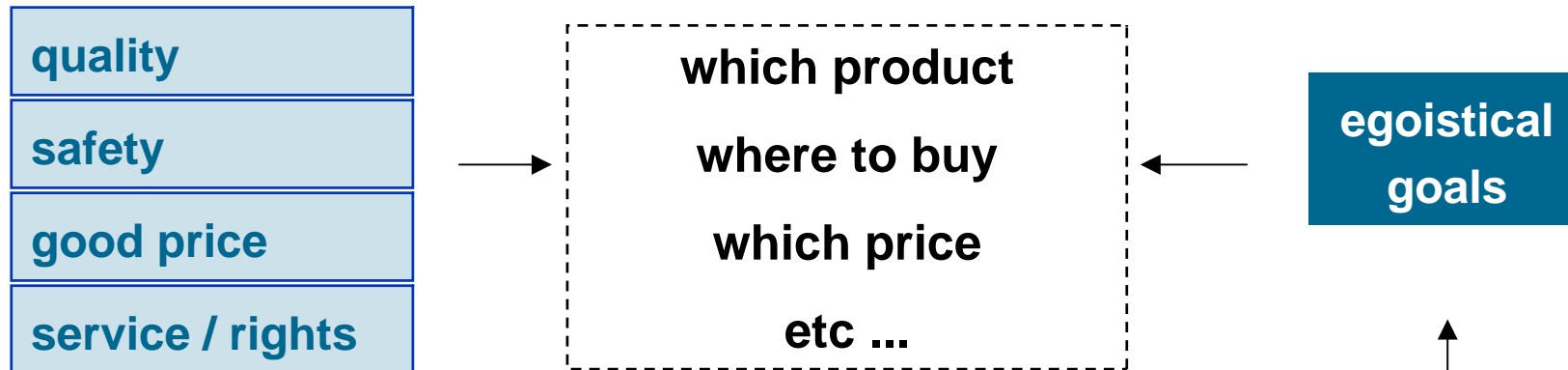
“Consumers are increasingly interested in the world that lies behind the product they buy. Apart from price and quality, **they want to know how, where and by whom the product has been produced.**”



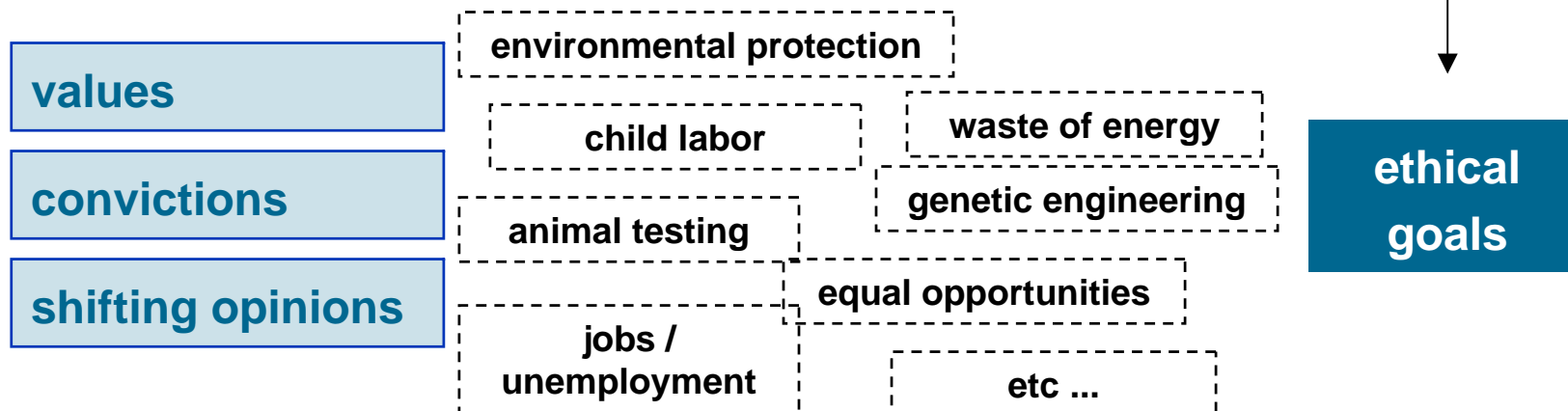
How to prove this hypothesis ?

Is there any evidence ?

Basic consumer demands ...



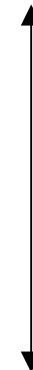
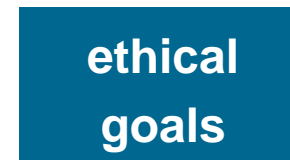
Consumers as citizens



Basic consumer demands ...

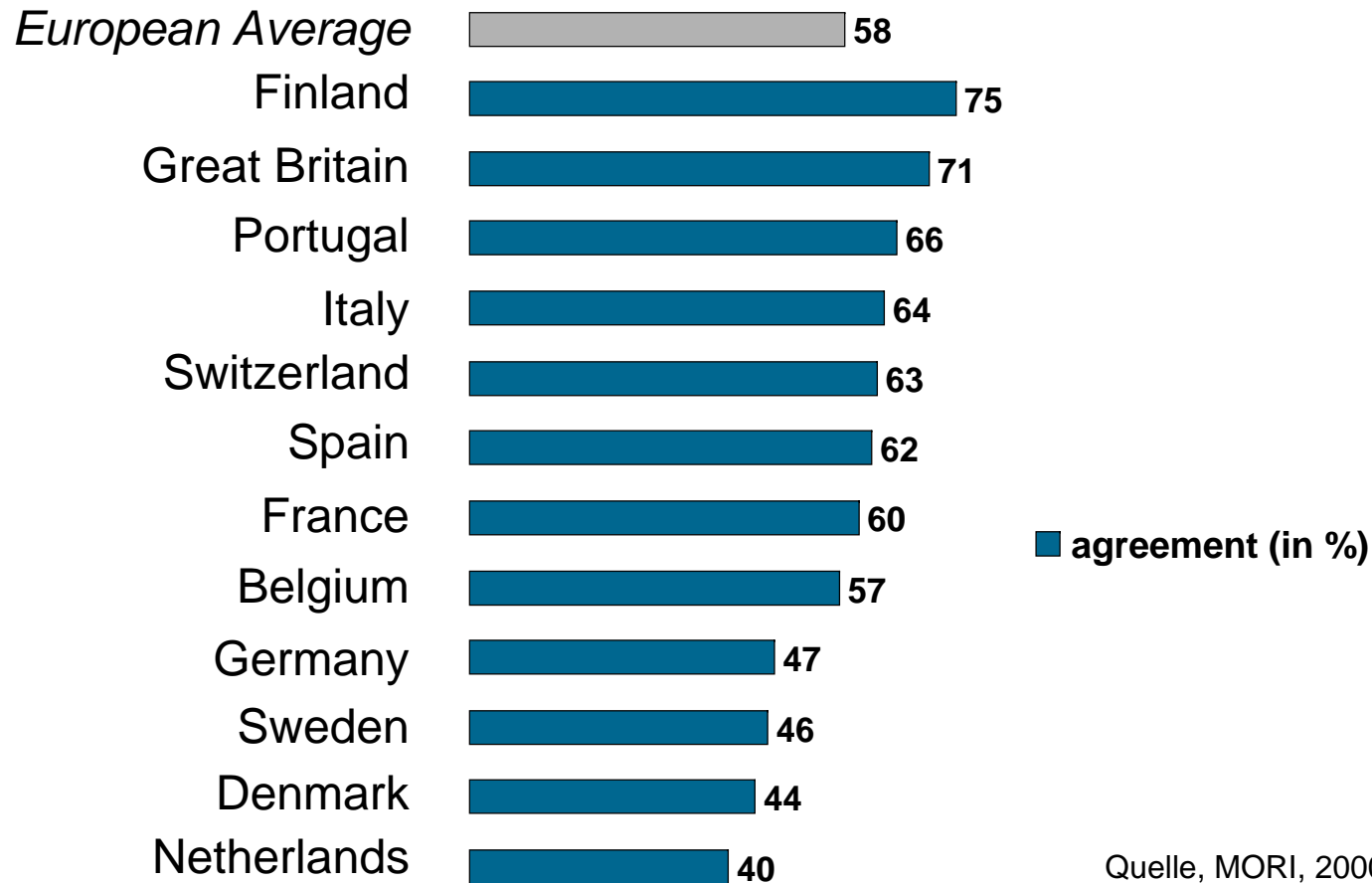


Consumers as citizens



Polls prove: general attitude

„Industry and retail do not care enough about their own responsible behaviour!“



source: Mori
n = 12.000 consumers in 12 European countries
data in percentage

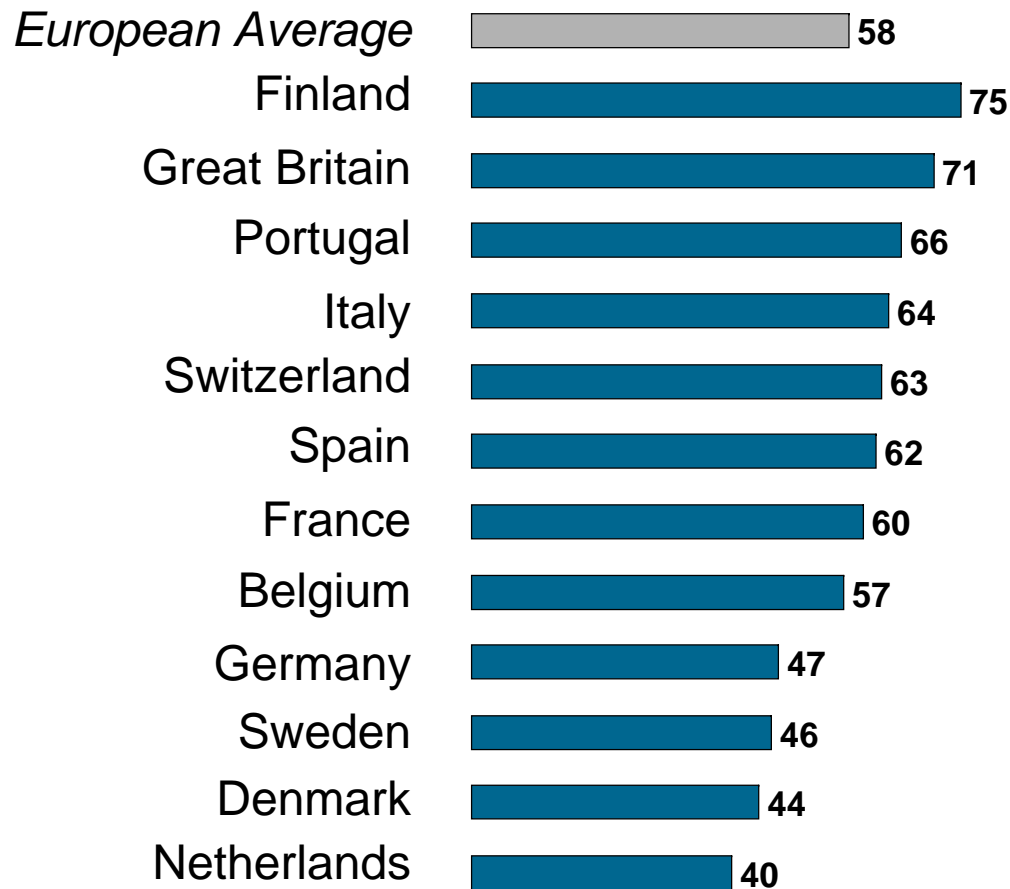
Quelle, MORI, 2000

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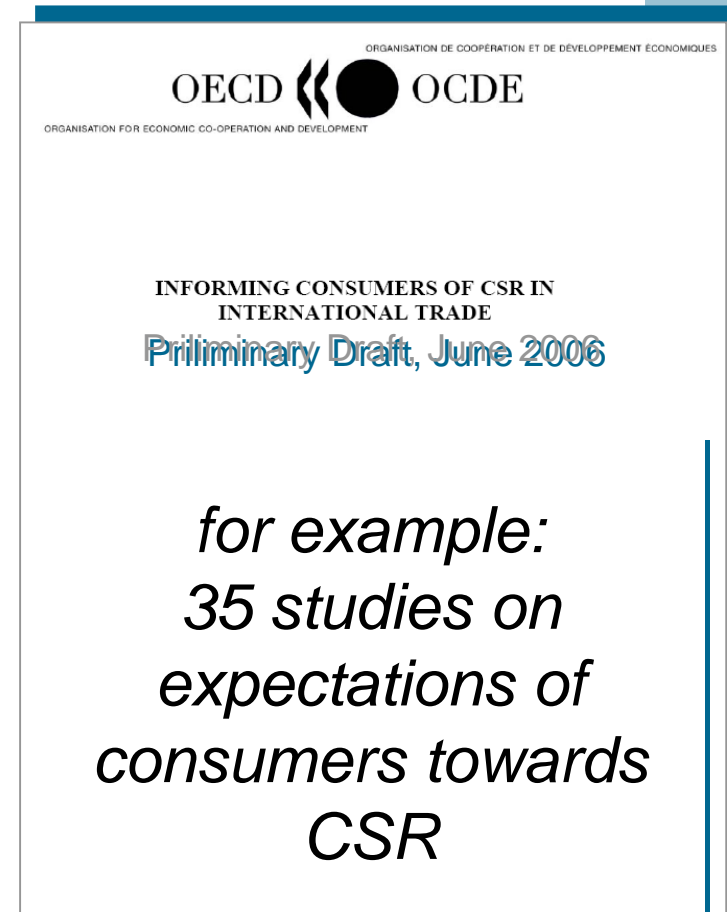
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Polls prove: general attitude

„Industry and retail do not care enough about their own responsible behaviour!“



source: Mori
n = 12.000 consumers in 12 European countries
data in percentage



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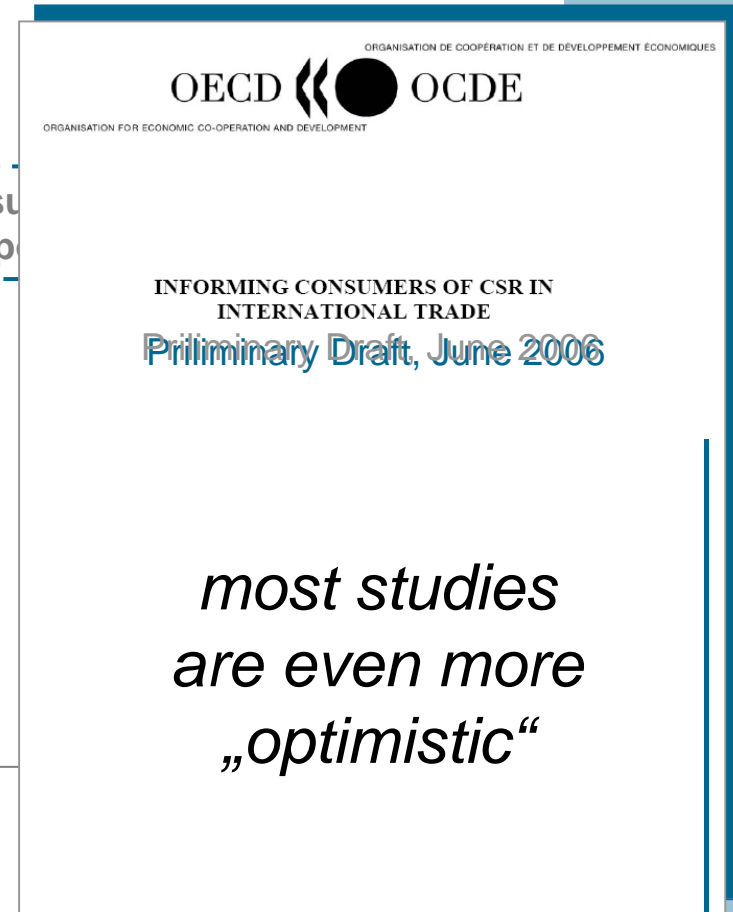
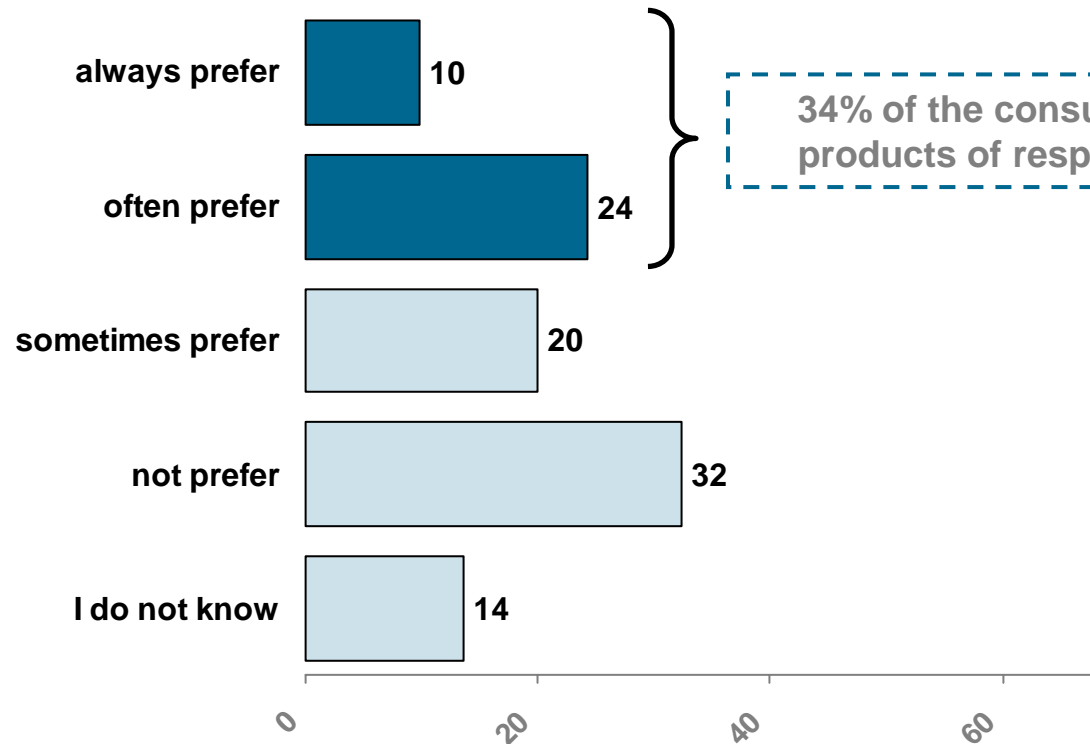
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Polls show: preferences for responsible companies

„Today, various products of the daily demand are from comparable quality.

Please, tell me if you would prefer a product with same price and quality of a company from which you know that this company shows social responsibility in a special dimension/ way.“

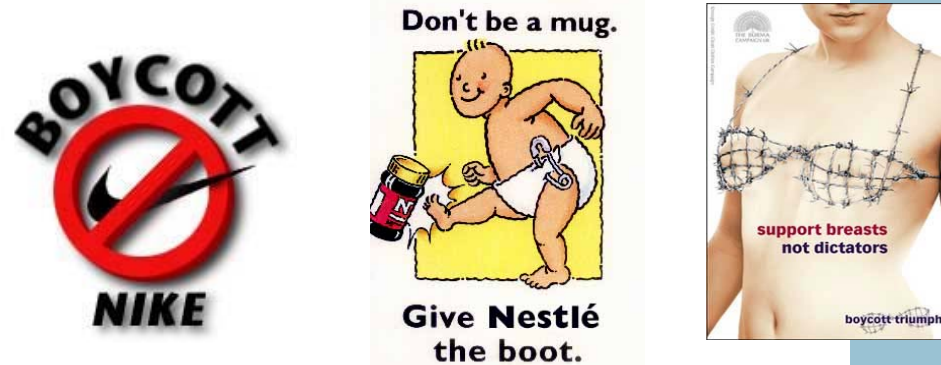


source: imug (2003): Themenspot Verbraucher und Corporate Social Responsibility
basis: population from 16 years on;
n = 979; data in percentage

Boykotts, protests and latent „buykotts“ indicate . . .

Boykott

campaigning for specific issues



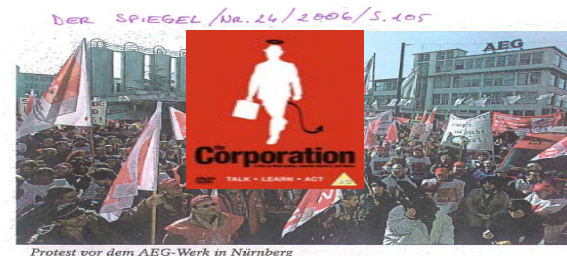
Protests

consumer activists demonstrate for decent work in supply chain



Buykott

AEG brand decreased sales after cutting german production



HAUSGERÄTE
Kunden strafen Electrolux ab
Seit dem umstrittenen Beschluss, das traditionreiche AEG-Werk in Nürnberg dichtzumachen und die Produktion nach Polen zu verlagern, hat der schwedische Hausgerätehersteller Electrolux bei den Kunden in Deutschland einen schweren Stand. Nach Berechnungen der Nürnberger Marktforschungsgesellschaft GfK stürzte der Marktanteil der Schweden im hiesigen Handel mit Elektrogeräten in den ersten acht Monaten dieses Jahres um rund ein Fünftel 2005 durch die Schließungspläne der Nürnberger Fabrik in die Schlagzeilen geraten war. Der Marktanteil von AEG schrumpfte in Deutschland von 10,7 auf jetzt nur noch 8,3 Prozent. Gewinner im weitgehend gesättigten Hausgerätemarkt sind überraschenderweise Firmen, die noch mehr in Deutschland produzieren als Electrolux. So stieg der Marktanteil beim Gütersloher Familienunternehmen Miele im gleichen Zeitraum von 8,8 auf 10 Prozent. Der Branchenprimus,

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What do consumers understand about CSR ?

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What do consumers associate with corporate's social responsibility ?

Open question / asking for clues, examples etc.

Social issues (n = 606)	Environmental issues (n = 401)	Market-issues (n = 251)	General ethical issues (n = 47)
<p>Umgang mit Beschäftigten (n = 279)</p> <ul style="list-style-type: none"> ▪ verantwortliches, solidarisches Verhalten gegenüber Mitarbeitern (n = 138) ▪ Sozialleistungen, soziale Absicherung (n = 72) ▪ Vergütung (Löhne, Gehälter, Beteiligungen) (n = 42) ▪ Gleichstellung benachteiligter Gruppen (n = 18) ▪ Gesundheitsschutz (n = 5) ▪ Mitarbeiterförderung (n = 4) <p>Arbeitsplatzerhaltung (n = 175)</p> <ul style="list-style-type: none"> ▪ Arbeits- / Ausbildungsplätze (n = 94) ▪ Standort Deutschland (n = 81) <p>Sozialstandards, fairer Handel (n = 162)</p> <ul style="list-style-type: none"> ▪ keine Kinderarbeit (n = 63) ▪ Menschenrechte / Sozialstandards einhalten (n = 62) ▪ fairer Handel (n = 33) ▪ Unterstützung der Wirtschaft in ärmeren Ländern (n = 4) 	<p>Umweltschutzmaßnahmen (n = 317)</p> <ul style="list-style-type: none"> ▪ Reinhaltung von Luft, Böden, Gewässer (n = 268) ▪ sparsamer Einsatz von Rohstoffen und Energie, nachwachsende Rohstoffe nutzen (n = 29) ▪ artgerechte Tierhaltung (n = 16) ▪ verantwortlicher Umgang mit neuen Technologien (n = 3) ▪ kurze Transportwege (n = 1) <p>Umweltverträgliche Produkte, Verpackungen (n = 84)</p> <ul style="list-style-type: none"> ▪ umweltfreundliche Produkte, Verpackungen (n = 69) ▪ regionale Produkte (n = 10) ▪ Geräterücknahme, Recycling, Dosenpfand (n = 5) 	<p>Qualität zu fairen Preisen (n = 122)</p> <ul style="list-style-type: none"> ▪ qualitativ hochwertige, „sichere“ Produkte (n = 78) ▪ gutes Preis-Leistungsverhältnis (n = 44) <p>Kundenorientierung und Service (n = 30)</p> <p>Verbraucherinformation (n = 73)</p> <ul style="list-style-type: none"> ▪ Produkt- und Herstellerinformationen (n = 57) ▪ Transparente Produktionsprozesse (n = 16) <p>Wirtschaftlichkeit (n = 6)</p> <ul style="list-style-type: none"> ▪ rentabel wirtschaften, guter Umsatz (n = 2) ▪ solide Finanzpolitik (n = 3) ▪ Gewinne reinvestieren (n = 1) <p>Informationsoffenheit (n = 3)</p> <ul style="list-style-type: none"> ▪ Mitarbeiter über Unternehmensstand informieren (n = 2) ▪ offen (n = 1) <p>Unterstützung sozialer, ökologischer Projekte (n = 17)</p>	<p>mehr Verantwortung, weniger Gewinnorientierung (n = 26)</p> <ul style="list-style-type: none"> ▪ moralisch vertretbar handeln (n = 20) ▪ mehr Verantwortung für Gesellschaft übernehmen (n = 3) ▪ weniger egoistisch, weniger Machtstreben (n = 2) ▪ weniger Shareholderorientierung (n = 1) <p>Ehrlichkeit, Zuverlässigkeit (n = 17)</p> <ul style="list-style-type: none"> ▪ Ehrlichkeit (n = 14) ▪ Zuverlässigkeit (n = 3) <p>Sonstiges (n = 4)</p> <p>wn / kA (n = 29)</p>

basis: repräsentative Haushaltsbefragung
n = 1.008; Inhaltsanalytische Kategorisierung offener Antworten, Mehrfachnennungen möglich

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What do consumers associate with corporate's social responsibility ?

Open question / asking for clues, examples etc.

Social issues (n = 606)	Environmental issues (n = 401)	Market-issues (n = 251)	General ethical issues (n = 47)
Umgang mit Beschäftigten (n = 279) <ul style="list-style-type: none"> ▪ ver Verl Mita ▪ Sozi Abs ▪ Verg Bete ▪ Gle Gru ▪ Ges ▪ Mita 	Umweltschutzmaßnahmen (n = 317)	Qualität zu fairen Preisen (n =)	mehr Verantwortung,
Arbei <ul style="list-style-type: none"> ▪ Arbo ▪ Star 			
Sozia <ul style="list-style-type: none"> ▪ kein ▪ Men einh ▪ faire ▪ Unte in ä 			

nearly each consumer mentions some aspects / issues

not all issues are relevant for every consumer

relevant aspects / issues may also differ by industry

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Do all consumers care about CSR ?

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Pitfall: Trade offs between price, quality and CSR

Example: Jogging shoes



Pitfall: Trade offs between price, quality and CSR

Example: Jogging shoes

price	120 €
quality (runability + endurance)	mark 2.0
business responsibility (CSR)	best practice

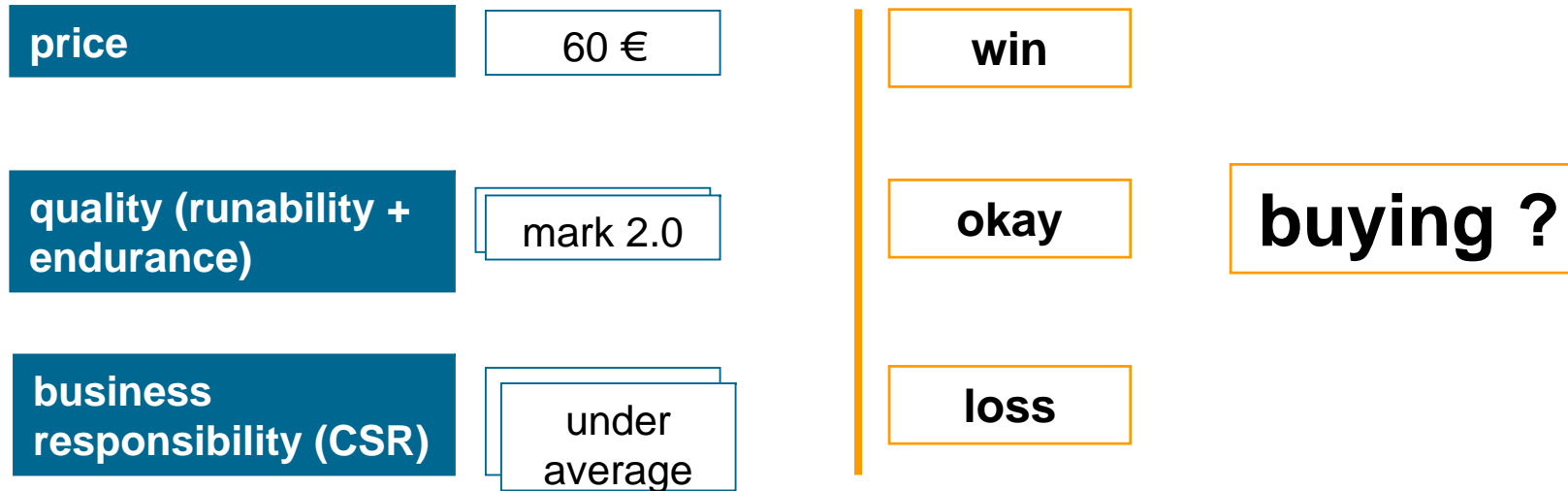
new case

expensive	buying ?
okay	
win	

Pitfall: Trade offs between price, quality and CSR

Example: Jogging shoes

third case



Pitfall: Trade offs between price, quality and CSR

Example: Jogging shoes

Research with many cases / combinations

price	60 €	90 €	120 €	150 €
quality (runability + endurance)	mark 1.5	mark 2.0	mark 2.5	mark 3.0
business responsibility (CSR)	best practice	over-average	average	under-average
brand	adidas	Puma	Nike	asics

What are the findings ?

Which impact has CSR in relation to price, quality . . . ?

1

Quality and price are more important than CSR (average consumer)

2

Quality and price have nearly the same impact like CSR (about 20 % of consumers)

3

Importance / impact of CSR differs between product categories
(jogging shoes / washing machines)

Assumption for all cases:

available, credible, comparative information about CSR

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Who should inform consumers about CSR ?

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Industry.com

Media

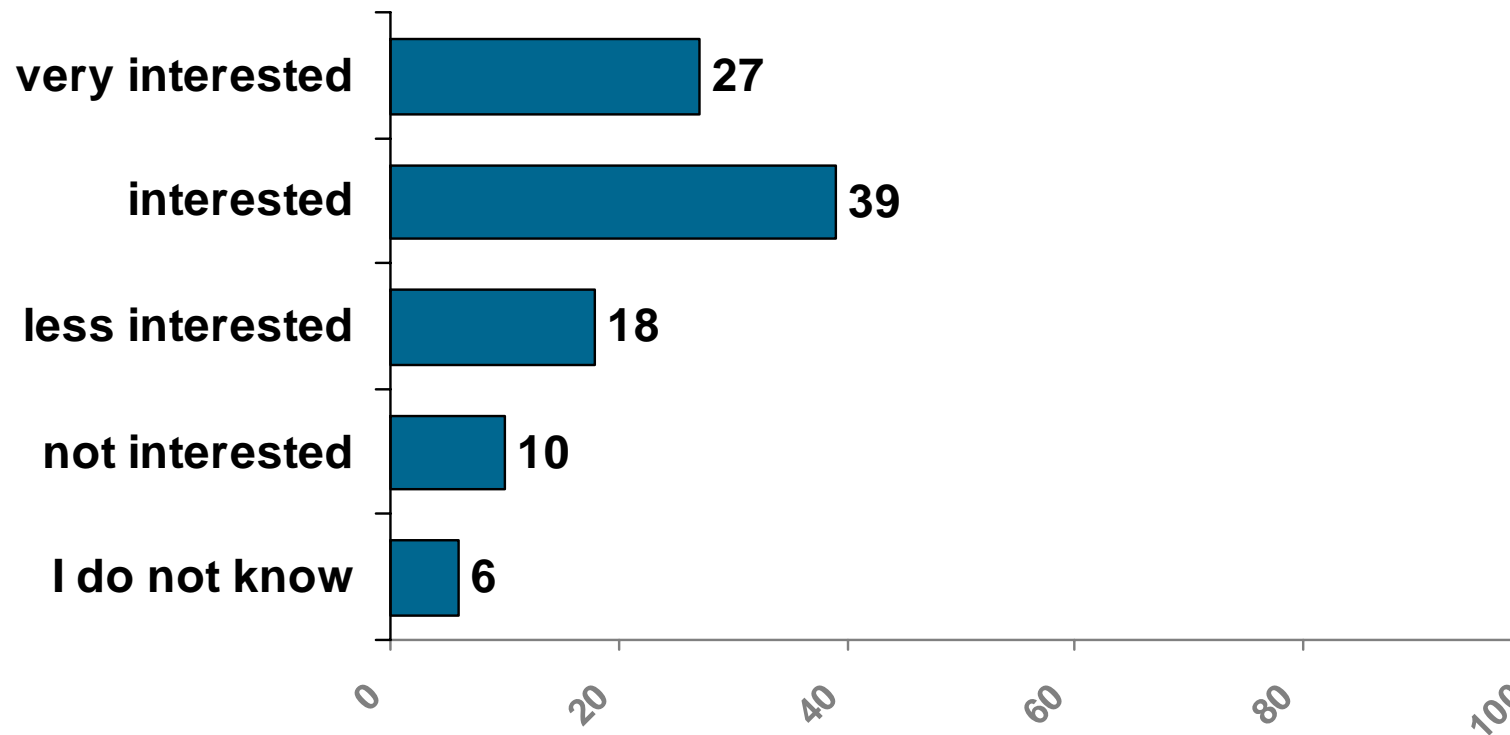
Consumer.org

objective
comparative
credible
usable

Interest in CSR-information from independant institutions

“Once accepted, there would be an independent institution similarly the STIFTUNG WARENTEST, which would arrange and evaluate information about social and ecological effects of enterprises activities.

Please tell me how much you would be interested in information about companies from this institution.“



Source: imug (2003): Themenspot Verbraucher und Corporate Social Responsibility
basis: population from 16 years on;
n = 974; data in percentage

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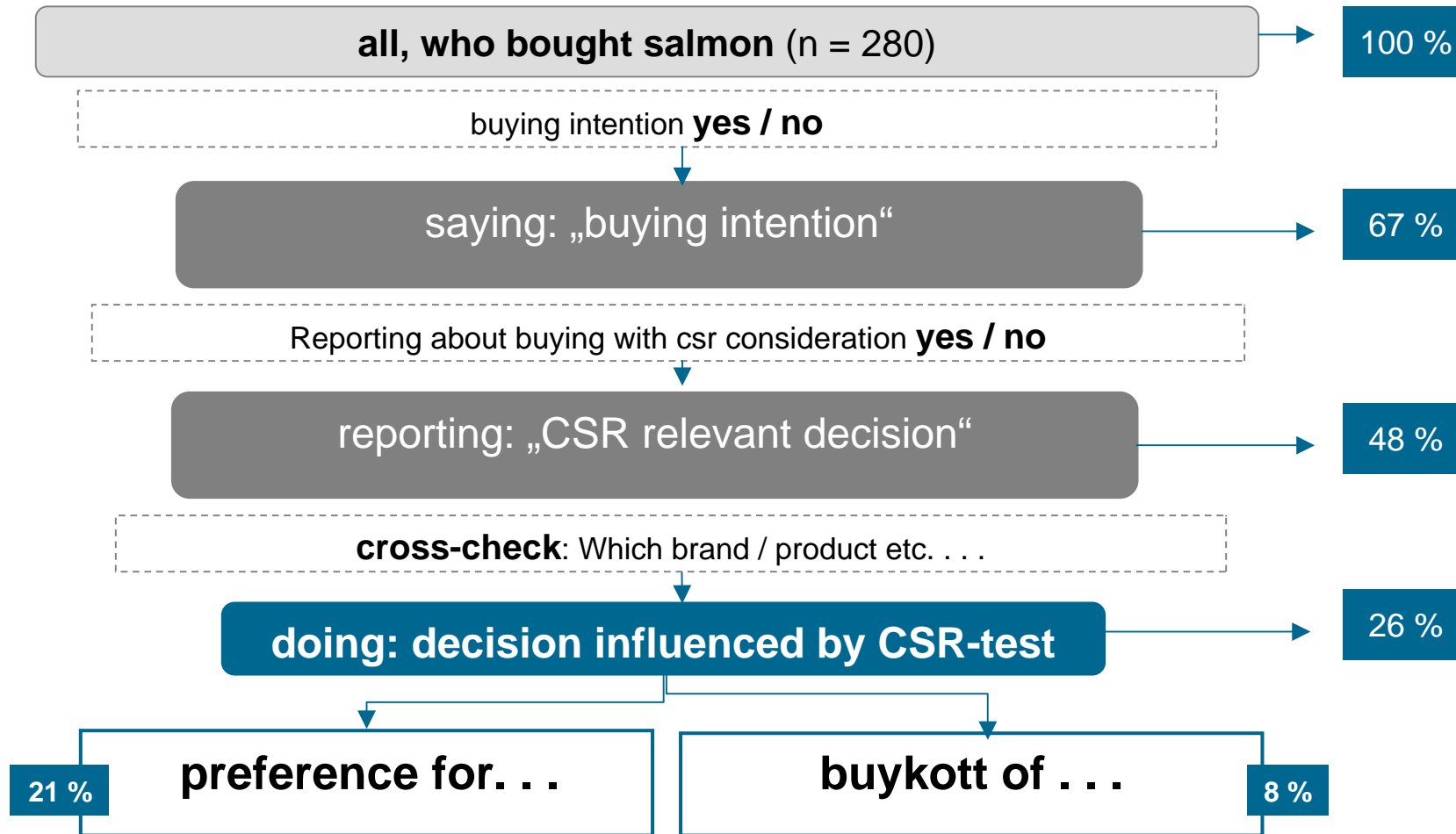
Do consumer buy responsible if CSR-information is available ?

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Impact of CSR-tests on buying decisions

Subscribers of Stiftung Warentest's magazine test /
who bought salmon after reading **CSR-test on salmon** and before interviewing



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basis: Abonnentenpanel der Stiftung Warentest;
n = 542; Angaben in Prozent; bei den Handlungsoptionen Präferenz oder Boykott waren Mehrfachnennungen möglich.
Filter: nur die 52% der Befragten, die seit Erscheinen des CSR-Tests Tiefkühl-Lachs gekauft haben.

1

The gap between just saying (67%) and doing (26%) is considerable.

2

26% of interviewed subscribers took at least one decision influenced by CSR-tests (cross-checked !)

3


Preferring “good companies” is more often than buykotting “bad companies”.

Notice 1: No representative data (not all consumers, but subscribers)

Notice 2: Most valid data on proved impact of CSR-information on buying

- Consumers expect companies to act responsible
- Many issues comprise corporate social responsibility
- If credible information is available a specific target group is reacting accordingly **(chance: non user benefits)**
- Price and quality are dominant considerations.
CSR is an important additional “attractor”.
- CSR information, produced by consumer organisations is indispensable **(risk: CSR as lemon market)**




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***Thank You
for your attention !***

	Themen - - -	Das Institut - - -	Die Beratungsgesellschaft - - -
	<p>>> imug - - - Forschung und Beratung unter einem Dach</p>		
<ul style="list-style-type: none">> news> publikationen> downloads> e-news> jobs> team> contact > internal	<p>Marketingkompetenz und Engagement für soziale und ökologische Zielsetzungen müssen keine Gegensätze sein. Das zeigen schon die Themen, mit denen wir uns im imug beschäftigen.</p> <ul style="list-style-type: none">> <u>Corporate Social Responsibility und Nachhaltigkeitsmanagement</u>> <u>Marketing und Kommunikationsberatung</u>> <u>Marktforschung</u>> <u>Unternehmenstests und -ratings</u>> <u>Investment Research</u> <p>In der Forschung und erst recht in der Beratung zählt das "Gutgemeinte" sehr wenig. Auf das "Gut gemacht" kommt es an! Das sehen wir genauso. Im imug sind Forschung und Beratung unter einem Dach. Gut gemeint und hoffentlich auch gut gemacht.</p> <p>Ingo Schoenheit</p>		



imug is the abbreviation of Institut für Markt-Umwelt-Gesellschaft (Institute for market - environment - society). imug, which has the legal form of a registered society, was established in 1992 at the university of Hannover as a research institute with a practical orientation. In addition to providing fundamental research, imug is also involved in a number of projects researching practical questions for business operations, but also for consumer, environmental and other organisations. Significant results and data are published.

Co-operation

With its close relation to the University of Hannover imug enhances its efficiency especially by co-operation in research projects with the marketing chair of Prof. Dr. Ursula Hansen (Ms Hansen is co-founder and belongs together with Prof. Dr. Hans Raffée and Dr. Ingo Schoenheit to the board of directors of imug. The basis for the co-operation with the chair is a common sense about objectives and functions of a modern, society-related marketing.

Main research

imug as a research institute with its main expertise in the area of marketing focus on fostering improved communication between companies, consumers and the broad public.

- imug has particularly distinguished in Germany by the development and publication of the conception of “company testing”.
- The social-ecological consumer behaviour and the conflicting requirements of a sustainable consumption are important references in many projects of imug.
- And finally result modified expectations of consumers and the society on companies in comprehensive and to some extent new demands concerning the transparency and dialogue culture of companies. Sustainability reporting and dialogue communication are another main research area of imug.

Publications / Downloads

The imug institute publishes significant results. The current publication list includes also publications of the imug staff in professional journals, etc.. (www.imug.de)

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Corporate Social Responsibility and Consumers

Research project:

Assumption of Corporate Social Responsibility (CSR) – corporate action and policy options for consumers

The project is kindly supported by the Federal Ministry of Consumer Protection, Food and Agriculture via the Federal Agency for Agriculture and Food (BLE).



Background

The implementation of sustainable consumption and production structures is a professed goal of Germany's economic and consumer policies. Yet, up until now competition on most markets for consumer goods has been subject mainly – and in some cases almost exclusively – to pricing mechanisms and product quality considerations. The social and environmental contexts of production have been negligible arguments in competition. However, recent years have seen a measurable increase of corporate activities and initiatives to accept social accountability and adopt a holistic concept of Corporate Social Responsibility.

Consumers tend to be hesitant when it comes to giving companies credit for their social and environmental commitment, which is in part a communication problem. First of all, easy-to-digest comparative information on corporate social and environmental activities is hard to come by. Besides, sustainable consumption efforts are hampered by profound information dilemmas and the ensuing consumer insecurity. The present research project is to find out how to best communicate CSR activities and performances to specific target groups in order to establish them as competitive factors on the markets for both products and services.

Objectives

The project aims at concrete recommendations regarding the contents, distribution and design of consumer information on CSR.

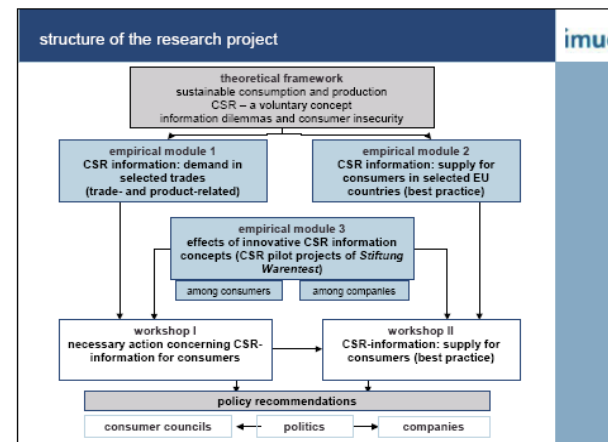
Three key questions derive from this overriding goal:

1. What corporate activities and performance indicators (contents) are of sufficient concern to consumers to render information on them decisive factors in actual purchasing decisions? (module 1)
2. What promising concepts concerning the communication of CSR information (distribution) to consumers already exist in Germany and other EU countries? (module 2)

3. How do the readers of *test* magazine assess the CSR pilot projects of Stiftung Warentest (Foundation of product testing)? Are there marked conclusions for the companies involved (effects)? (module 3)

Approach

These three empirical research modules geared to both answer the key questions mentioned above and to establish a coherent foundation for concrete policy recommendations were developed against the following theoretical backdrop:



The 18-month project starts in January 2005.

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