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RELATIONSHIP OF THE PERCEIVED SOCIAL RESPONSIBILITY OF THE COMPANY AND CONSUMER LOYALTY

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A B S T R A C T

The article considers the theoretical aspects of the influence of the company's social responsibility on building long-term relationships with consumers in the framework of interaction marketing. The relationship between perceived social responsibility and such factors that form consumer loyalty as trust, satisfaction and involvement of consumers is shown. The importance of increasing the level of perceived social responsibility of the company is substantiated.

K E Y W O R D S

social responsibility, consumer loyalty, trust, consumer satisfaction, consumer involvement.

Introduction

In the modern economy, due to the strengthening of consumerism tendencies, the social responsibility of business is becoming an increasingly significant competitive advantage.

The gradual aggravation of social problems in society, environmental pollution and others have an impact on consumer attitudes towards companies. It is no longer enough for modern consumers to simply be satisfied with the product itself. Their decision to purchase a particular product increasingly depends on the reputation of the company and its declared values. We can say that the social responsibility of business is becoming an important consumer demand, a new benchmark for achieving high competitive positions in the market.

The social responsibility of business in modern scientific publications is increasingly becoming the subject of research. As an analysis of the works of Russian and foreign authors (A. Mei-Pochtler, S. Turkin, J. Calloway and others) shows, today consumers tend to increasingly prefer socially responsible companies when choosing a product [6]. Moreover, many studies emphasize that there is a positive relationship between consumer preferences and perceptions of company ethics.

Given the relevance of the problem, its significance for consumer expectations, it becomes extremely important for companies to determine the role of their social responsibility in winning and retaining consumers. It can be said that managing the interaction of a company with a consumer is becoming a new function of marketing [10]. At the same time, the object of management is the relationship of the consumer with other participants in the process of purchase and sale [2]. Therefore, consideration of the cause-and-effect relationships of social responsibility and effective relations between a company and a consumer, including in terms of achieving consumer loyalty, requires special attention.

LITERATURE REVIEW

Considering the causal links between the socially responsible behaviour of the company and the choice of the consumer, first of all, it is necessary to dwell on the effects arising from this. Socially responsible companies, in an effort to meet social and consumer expectations, offer the market relevant goods / services, indirectly form high-level social standards, thereby making a certain contribution to improving the quality of life of the population. As a result of this behaviour, companies receive competitive advantages, consisting in:

• improving the business reputation of companies and brand image;
• more effective attraction and retention of customers;
• increase in market share;
• lower operating costs;
• more "easy" attraction of investors and others. [18].

At the same time, F. Kotler and N. Li in their works indicate that obtaining the maximum return on social responsibility for a company is associated with the fulfilment of a number of conditions [4].

Firstly, the choice of the direction of socially responsible activity should correspond to the specifics and the general strategic line of behaviour in the market, without conflicting with its mission, values and business style.

Secondly, the company's management must be ready to provide resources for the socially responsible behaviour of its company, including material, temporary, intellectual, etc., which means treating such activities as investments.

Thirdly, a socially responsible company must have perfect marketing tools both for measuring the effectiveness of relevant events and for promoting their results to target audiences and the public environment, thereby forming brand capital in such a part as business reputation.

In addition, the formation of business reputation of companies on the basis of its socially responsible behavior leads to a number of specific effects in the formation of the process of interaction with the consumer. An example is the results of a study by Brown and Dasin, who in 1997 made an unsuccessful attempt to evaluate individual components of the company's image perceived by consumers and influencing their acquisition and retention. The authors of marketing research revealed a direct relationship between the corporate image and the positive impact of its assessment on the consumer's reaction [14]. A group of other researchers (Scholder, Mohr, Webb) proved that the reaction of consumers to various marketing activities of a company depends not only on the activities themselves, but also on the degree of consumer perception of the company's social responsibility [17].

Companies conducting socially responsible activities with the aim of creating a positive customer relationship should take into account the peculiarities of perception of such actions by consumers.

Often in practice, a situation arises when a company conducts activities within the framework of social responsibility, however, consumers do not perceive its image as a socially responsible organization, which indicates that the vision of the image of a "socially responsible company" among its management and in the target audience does not coincide. Consumers do not understand the usefulness of the company's actions, moreover, even a negative attitude towards it can be formed due to the stereotype - "companies conduct social events to evade taxes or to legalize dishonest income" [9].

Thus, positive effects for the company arise not just as a result of certain specific socially responsible activities, but as a result of the implementation of a targeted policy to form a holistic image of it as a socially responsible organization in the minds and perceptions of the consumer. Therefore, we should talk not just about the social responsibility of the company, but about the perceived social responsibility of the company - the consumer's subjective assessment of the reputation of the company and its activities in terms of compliance with the image (ideal) based on criteria that characterize consumer expectations regarding the social responsibility of the business.

METHODOLOGY & EMPIRICAL ANALYSIS

According to the systematization of research publications devoted to this problem, the following main features of the social responsibility of companies can be distinguished [5;12]:

• production of quality goods;
• informing about the possible harmful effects of the product;
• protecting health and safety;
• quality of customer service;
• environment protection.

In the context of ever-increasing social requirements of consumers to companies, the fulfillment of such consumer expectations ensures the formation of a positive socially responsible image of the organization perceived by consumers:

SRI = F (CL; IC)

SRI — socially responsible image;

LC — loyalty of consumer;

IC — involvement of consumers

The role of perceived social responsibility in building long-term relationships with consumers is also significant because it significantly affects the factors that form consumer loyalty.

In the scientific literature, two main approaches to understanding consumer loyalty can be distinguished: behavioural and socio-psychological.

Representatives of the behavioural approach (for example, J.-J. Lambin, J. Bloomer and others) understand loyalty as a certain type of consumer behaviour, expressed in long-term interaction with the company and making repeated purchases.

Representatives of the socio-psychological approach (for example, J. H. Hofmeyr, B. Rae, and others) consider loyalty in terms of consumer attitude to a product or service as a preference that is formed as a result of generalization of feelings, emotions, opinions about a product or manufacturer. In turn, attitude-related loyalty is divided into cognitive and affective. Cognitive loyalty is based on knowledge, the rational decision of the consumer is his interaction with the company, taking into account the assessment of product attributes and switching costs. Affective loyalty is based on emotional factors, correlates with positive feelings caused by the purchase of a product, representing an affective connection with the brand [18].

The unifying opinion for these approaches is the priority of customer satisfaction as the basis of choice when making a purchase. Satisfaction refers to the degree to which goods or services conform to consumer preferences. Customer satisfaction can be associated both with a specific purchase and in general with the attitude towards the company, which, in turn, depends on the experience of interaction, the level of trust, the reputation of the company, including as a socially responsible organization.

Another factor influencing the achievement of consumer loyalty is the involvement of consumers. According to F. Kotler, consumer involvement should be understood as the level of his interest in the brand (company) and the amount of information processing resulting from the reaction to a marketing stimulus [3]. Involvement in general terms shows the degree of interest, emotional experience in the process of choosing a product.

Differences in consumer behaviour depending on the degree of involvement were formulated by H. Assel [1]. Thus, the model of behaviour with high involvement is characterized by an extensive process of information processing, a conscious search for information, a close relationship between the product and the personality and lifestyle of the consumer. In the case of low involvement, the consumer accidentally perceives the information, and the purchases made are not significant in terms of the norms and values of his reference group. Based on this, the perceived social responsibility of the company will be of particular importance for consumers with a high degree of involvement and socially responsible behaviour (socially responsible consumer behaviour can be expressed, for example, in the consumption of those products that are safe for the environment, or the willingness to pay more for such goods, etc.).

The degree of consumer involvement may vary depending on perceived social responsibility. Marketing research shows that more than 86% of consumers tend to buy goods from companies that are involved in socially significant projects and intend to buy goods from a company whose product is associated with "good cause" [12].

RESULTS

The specified association is extended by the consumer to itself. Consumers of a socially responsible company identify themselves with the "good cause" it performs, which increases their involvement in the process of forming its socially responsible image. Thus, a socially responsible company receives a competitive advantage, expressed in an additional degree of consumer involvement, in comparison with a company that is not one.

Among the factors in the formation of loyalty, scientists and practitioners in the field of marketing distinguish consumer trust. In particular, F. Kotler, H. Meffert and others draw attention to the importance of the aspect of trust in the process of interaction between participants in the marketing system. In addition, R. Bennet notes that consumer confidence is one of the most significant factors in building long-term relationships between a company and customers and achieving consumer loyalty [13].

In turn, J. O'Shaughnessy notes that the purpose of marketing is to help organizations gain consumer trust, since it is trust that is the basis of consumer commitment [8]. According to the scientist, trust is achieved by building and developing relationships, improving business reputation and following common values. Thus, we can conclude that trust plays an essential role in the system of business relations, being one of the bases for building long-term relationships with consumers by a company.

It should be emphasized that the perceived social responsibility, which forms a positive image of the company in the perception of the target audience, contributes to the formation of trust between the interacting parties in the market environment. A study based on the expert method showed that the determining factor in the development of trust is the business reputation of the company [7]. According to a marketing specialist S. Gupta, the social responsibility of a business is the most important element of a company's image, which ensures the trust of stakeholders and, above all, consumers [15].

Summarizing the above opinions of experts and the conclusions presented in scientific publications and applied research, we can talk about a causal relationship between the socially responsible activities of the company, the image of the company perceived by the consumer, and the level of consumer confidence.

CONCLUSIONS

Summing up, we can conclude that social responsibility plays a significant role in the company's activities. The implementation of socially responsible measures that increase the perceived social responsibility helps to improve the business reputation of the organization in the eyes of stakeholders and contact groups, primarily consumers. In turn, a positive perceived business reputation is not only a factor in the formation of trusting relationships, but also affects the level of involvement and customer satisfaction. As a result of these effects, social responsibility can be considered as a tool that contributes to the achievement of consumer loyalty.

At the same time, the question of determining the effectiveness of socially responsible measures remains open. An important task is to integrate social responsibility into other marketing tools. At the same time, special attention should be paid to the likely synergies that arise from the proper planning and coordination of marketing activities and corporate social responsibility programs.

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