Consumers’ Perceptions of Corporate Responsibility Communication in the Finnish Food Chain

Kukka-Maaria Ulvila

aJyväskylä University
School of Business and Economics
P.O.Box 35
FI-40014 University of Jyväskylä
Finland
kukka-maaria.ulvila@jyu.fi
Tel. +358405767849
Fax: +35814617194

Abstract
Food consumption and food choices are a vital part of humans’ lifestyles and food is one of the key consumption contexts in terms of environmental and social impacts in the World. Thus, sustainable food consumption and sustainably produced food products should be promoted actively to consumers. Corporate responsibility (CR), in turn, is the business sectors’ contribution to sustainable consumption. Motivating sustainable consumption can be therefore viewed as a part of CR of food chain actors.

The purpose of this paper is to provide information on consumers’ perceptions of the importance of the different dimensions of CR in the Finnish food sector. In addition, the paper will examine the information wants of consumers with regard to food chain CR as well as which information channels are perceived as effective and reliable when informing consumers about CR.

This paper draws on data from a consumer survey with n=1326 respondents. The data were gathered in November 2011 with an online questionnaire from consumer representative of Finnish internet users aged between 18 and 79.

In order to take into account the contextual characteristics of the Finnish food industry, a seven dimension framework of CR created by Forsman-Hugg et al. (2009, 2012) is used. These seven dimensions of food chain CR are: environment, product safety, nutrition, occupational welfare, animal welfare, economic responsibility and local market presence.

Both CR and sustainability of the food chain and food products are credence attributes of the product. Thus, consumers have to trust the CR information given by others. Although the amount of information does not necessarily correlate with the consumers’ willingness to purchase food or other goods, informing consumers about different alternatives, does provide the prerequisites for consumer choice.

Keywords: sustainable consumption, corporate responsibility, food chain
1. Introduction

Food consumption and food choices are a vital part of humans’ lifestyles. In addition, according to Belz and Peattie (2009) food is one of the key consumption contexts in terms of environmental and social impacts in the World. Thus, sustainable food consumption and responsibly produced food products are something that should be promoted actively to consumers. Moreover, informing is in a key role when increasing consumers’ awareness about the environmental and social impacts of their food, and other consumption, choices. (Belz & Peattie, 2009.) In addition, motivating sustainable consumption can be viewed as a part of the corporate responsibility (henceforth CR) of different food chain actors. By using different means of communications consumers can be educated about and their attention can be directed towards environmental and social issues related to food consumption as well as issues connected with corporate responsibility. (Daub & Ergenzinger 2005; Moon 2007.) CR is also becoming a key issue, and even a source of competitive advantage, for some food companies (Hartmann, 2011; Heikkurinen & Forsman-Hugg 2011; Verhees, et al. 2008).

Research indicates that stakeholders seldom have information about CR and the lack of effective CR communication is considered to be a hindrance to companies’ possibility to gain strategic benefits from their CR initiatives (Du et al., 2010, Hartman, 2011). The role of effective CR communications becomes especially important when companies move from a passive CR strategy to a responsive and further on to a proactive CR strategy (Heikkurinen & Forsman-Hugg, 2011). The importance of informing consumers, the significance of CR communications and knowledge as well as the dominant role of food retailers has been stated in numerous studies. (Bhaskaran, et al. 2006; Duffy, et al. 2005; Jones et al. 2009; Kottila, 2009; Marsden, et al. 1998; Morsing & Schultz, 2006; Picket-Baker & Ozaki, 2008.)

The purpose of this paper is to provide information on consumers’ perceptions of the importance of the different dimensions of CR in the Finnish food sector. In addition, the paper will examine the information wants of consumers with regard to food chain CR as well as which information channels are perceived as effective and reliable when informing consumers about CR.

2. Theoretical Framework

Corporate responsibility is traditionally conceptualised by using the triple bottom line –concept (TBL) where corporate responsibility is said to consist of economic, environmental and social responsibility (Elkington, 1997). However, different industries have unique supply chains and unique, industry specific
CR issues connected to them. It should therefore be noted that one supply chain CR model does not fit all. (Maloni & Brown, 2006). CR in the food chain can act as a safeguard against the risks related to food safety, environmental or social incidence, since a reputation for responsible conduct is very important for companies operating in the food chain (Hartman, 2011). Moreover, CR is becoming increasingly important in the food chain since food is necessary for our existence, food products are complex plant or animal based products and food chains are labor intensive (Maloni & Brown, 2006).

The food chain is a complex and often a multinational context (Fritz and Schiefer 2009) and its corporate responsibility is also complex and multidimensional. In order to take into account the contextual characteristics of the Finnish food industry, the triple bottom line –framework was expanded into a seven dimension framework of CR created by Forsman-Hugg et al. (2009). These seven dimensions of food chain CR are: environment, food safety, nutritional responsibility, occupational welfare, animal health and welfare, economic responsibility and local market presence. These seven dimensions were discovered through an iterative stakeholder engagement process.

2.1. Consumer Perceptions of Corporate Responsibility

Consumers’ perceptions of food chain CR have been previously studied during a research project carried out in 2009 by Agrifood Research Finland and Finland’s National Consumer Research Center. During this project it was noted that the importance of the different food chain CR dimensions depends on the consumer’s perspective. Three possible perspectives identified were: consumer as the user of the product, the social or global perspective and the corporate operations perspective. Consumers were seen to perceive those dimensions as more important to them that were linked with either themselves or the society. However, the dimensions linked with corporate operations were perceived as less important. (Forsman-Hugg et al., 2009)

Previous research on consumer perceptions of corporate responsibility indicates that when making purchase decisions or forming an opinion about the CR performance of a company or other food chain actor, consumers tend to rank environmental issues, human rights and animal welfare high. (Wheale & Hinton, 2007) Research done in Finland and in the Finnish food chain context has shown that consumers consider the healthiness of food as the most important factor followed by food safety, animal welfare and the use of local raw materials. The least important dimension was occupational welfare and among the least important dimensions were also the environmental impacts of food production and economic responsibility. (Kotro et al. 2011)
Previous research showed that consumers viewed food safety and nutritional responsibility as the most important dimensions of food chain CR. These dimensions were seen as being the corporations’ responsibility and communication about them was perceived as both important as well as interesting. In addition, the social themes of environmental responsibility as well as animal health and welfare were viewed as important as was, to some extent, local market presence. However, occupational welfare and economic responsibility were perceived as being the corporations’ responsibilities that do not even need to concern the consumer. (Forsman-Hugg et al., 2009)

2.2. Corporate Responsibility Communications

Environmental and social issues are increasingly in the mainstream of communication both in marketing as well as in the news. Consumers often form their initial understanding of a product based on the information initiated by the marketer or another actor in the food supply chain (e.g. NGOs). This information can be, for example, in the form of advertising or labels. (D’Souza et al., 2006.) The main goal of CR communication is to present the company as an ethical, transparent and socially responsible organization. CR communication can be used to disseminate information and not necessarily persuade the public, but rather inform them as objectively as possible about the organization and its CR efforts. (Morsing & Schultz, 2006)

Corporate responsibility and its dimensions are so called credence attributes of the product. These attributes are not directly visible or something that the consumers can ascertain by themselves. Thus, they have to trust the information given by others, such as the different actors in the food supply chain or the organizations issuing different environmental or ethical labels. (Karstens & Belz, 2006; Weatherell et al., 2003). CR information should, therefore, be communicated to the consumers in a clear, understandable and reliable manner so that the information could potentially be used as a basis for purchase decisions. It is, in addition, worth noting that consumers trust the CR information given by the actors and stakeholders in the food chain, but consumers seldom actively seek information on company behaviour. (Dawkins, 2005)

2.3. Availability of CR information

In order to be able to bring in the benefits of CR activities companies should actively create stakeholder awareness towards their CR activities. Managers should, therefore, have a good understanding of the key issues related to CR communication such as: the message content, the message channel and other company- and stakeholder-specific factors that may have an impact on the effectiveness of CR communication. (Du et al., 2010)
Many audiences do not actively look for CR information thus there is a need for embedding CR communications messages in mainstream communications together with a clear explanation of the relevance of the CR issue to the consumer (Dawkins, 2005). Furthermore, different CR communication messages speak to different audiences. Experts, for instance, find the facts and figures of CR reports appealing, whereas consumers prefer a clear message that strikes a chord by using emotional appeals. However, one of the biggest challenges in CR communication is trying to combine clarity, credibility and emotional appeals to one message without crossing over to green or blue washing. Moreover, the prerequisite for successful CR communication is that the company puts words into action. Stakeholders seldom are impressed by mere rhetoric. (Halme & Joutsenvirta, 2011; Khosro et al., 2009)

Although the amount of information does not necessarily correlate with the consumers’ willingness to purchase sustainably produced food or other goods, informing consumers about different alternatives, either sustainable or conventional, does unquestionably provide the prerequisites for consumer choice. Studies have shown that CR actions may potentially have an impact on consumer behaviour by influencing customer loyalty, product consideration, company and product evaluation, purchase intention and willingness to pay. (Hartman, 2011; Dawkins, 2005).

In terms of the credibility of the CR message, there may be a trade-off between the credibility and controllability of the CR communication, since the less controllable the communicator is, the more credibility it has. Consumers and other stakeholders are likely to perceive that the company has a vested interest in communicating their CR efforts in a certain way and through a certain channel compared with the more unbiased non-corporate sources. On the one hand, consumers may be critical towards information coming from the company controlled, more biased sources, and CR communication through corporate sources might have less credibility than non-corporate sources. (Du et al., 2010; Dawkins, 2005) However, on the other hand, companies may overestimate the level of public skepticism towards the credibility of their information. In general, the public tends to trust company information. (Dawkins, 2005).

2.4. CR information communication channels

According to Pickton and Broderick (2001, as cited in Oates, McDonald, Alevizou, Hwang, Young & McMorland, 2008 p. 353), the sources of information that the consumers use vary from corporate and marketing communications, such as television and print advertising, websites and packaging, to more intangible communication instruments, such as word of mouth. Consumer word of mouth has a great power due to the popularity and widespread use of internet communication such as social media. (Du et
This complex information environment with numerous information sources creates problems for both the marketers as well as to the consumers. Thus, the effectiveness of CR communication should be improved in order to influence consumers and their purchase behaviour.

A company can choose from a plethora of communication channels through which they can disseminate information about their CR activities. Official documents, such as CR- and annual reports, press releases and dedicating a section of the corporate website to CR, can be used. In addition to these, print and TV commercials, billboards and product packaging can be used to communicate CR efforts to consumers. (Du et al., 2010) The problem with official documents, such as CR reports, might be that consumers are not meant to be their main target audience. Official reports are more suitable for addressing experts in the CR field, such as researchers, reporters and authorities (Halme & Joutsenvirta, 2011). In addition to the conventional CR reports, possible communication channels can be leaflets, product packaging but also public discussion with stakeholders and telling the consumer about the CR issues connected to a product or service at the point of purchase.

Along with company controlled CR communication channels, there are a large number of external communicators of CR. The company can have very little control over the content of the CR communication by external communicators that are not directly part of the company’s value chain. These external communicators include media, customers and NGOs. However, the company can control the content of the CR messages communicated by the members of its value chain, such as employees. (Du et al., 2010)

In addition to promotion efforts by companies, public policy, the civil society and NGOs have a role CR communication and promoting sustainable production and consumption. Public policy might do this by controlling the ways companies promote their products and services but also by advancing sustainable means of fulfilling social and cultural needs instead of consumption. The civil society and NGOs might promote responsible consumerism by initiating a civil discourse about the different social and cultural functions of consumption and the redirecting of consumption toward more sustainable forms. (Schaefer & Crane, 2005; Wheale & Hinton, 2007.) NGOs can also improve the transparency of CR, since are independent of the company making the information they deliver more trustworthy (Hartman, 2011).

As a device of promotion, environmental or ethical labels are often used as a simple way of presenting complex information to consumers. The assumption behind the labelling programmes is that credible information will affect consumer brand choice, thus increasing the market share of sustainably produced
products. (Belz & Peattie, 2009; D’Souza et al., 2006; Bjørner, et al., 2004.) However, the labelling programmes are not without their problems. Research has indicated that consumers are seldom capable of making informed choices based on information given by environmental or ethical labels, since consumers experience difficulties when trying to identify the different labels and their meanings. Nevertheless, environmental and ethical labels may influence consumers’ purchasing behaviour, since the labels indicate that the product is generally acceptable. (Bhaskaran et al., 2006; D’Souza 2004.) Third party issued labels and certified standards can also serve to increase the trustworthiness of CR communications (Du et al., 2010). A great deal of research has been focussed on the effects of environmental or ethical labels on consumers’ purchase behaviour. In spite of the fact that consumers have difficulties in understanding the meanings of different labels and on package information, the results have indicated that labels are a suitable instrument of marketing communication. (Bjørner, Hansen & Russell, 2004; D’Souza, 2004; Karstens & Belz, 2006; Belz & Peattie, 2009.)

CR can be successfully communicated to consumers in a very overt way by using on-site marketing communications in the form of distributing brochures, signs and other means point-of-purchase marketing emphasizing the contact with the stakeholder and customer involvement. These communication channels are especially effective if and when combined with informal channels such as word of mouth. (Khosro et al., 2009; Dawkins, 2005) However, according to Morsing and Schultz (2006), the overt way is not necessarily the best one. Morsing and Schultz (2006) state that so called minimal releases, such as annual reports and websites, are the preferred communication channels to disseminate CR information to consumers. Moreover, CR communication is said to be more credible if it is indirect and subtle, such as presenting the objective, numerical data of an annual report instead of corporate advertising and overtly promoting CR. (Morsing & Schultz, 2006)

3. Material and Methods

This paper draws on research data from a consumer survey with n=1326 respondents. The data were gathered in November 2011 with a structured online questionnaire from consumer representatives of Finnish internet users. The data comprise a representative sample of Finnish population aged 18–79. The survey was carried out by a Finnish market research company. Prior to sending the survey, a pre-test was done with a pilot group of 50 respondents and minor modifications were made. The survey contained several question series examining different aspects of consumer views and perceptions associated with corporate responsibility (CR) in the Finnish food chain, the different dimensions and criteria of CR as well as CR communications. Since CR is a rather abstract and challenging topic for consumers, brief
descriptions of each of the seven dimensions of food chain CR were offered to the consumers in the survey.

The first hypothesis is that the food chain CR dimensions that are the consumers perceive as concrete and close to themselves are more important to them than the dimensions connected with the food producers and their actions. The second hypothesis is that consumers want to be informed about those dimensions that are concrete and close to them. The third hypothesis is that consumers prefer and consider reliable the communication channels that are not controlled by the food producing companies.

A 5-point Likert scale (1 = not at all important: 5 = very important) was used in the questions concerning the importance of the different CR dimensions and the wants for information about these dimensions. In the questions concerning the different information channels and their reliability the respondents were asked to pick three channels that they prefer. The results of the analysis are provided in chapter 4.

4. Results and Discussion

4.1. The Importance of the Different Dimensions of CR in the Finnish Food Chain

The respondents of the internet survey viewed all the dimensions of food chain CR as important. As Figure 1 below illustrates, the most important dimension of food chain CR is food safety followed by animal welfare and environmental responsibility, local market presence and economic responsibility being least important.

![Figure 1 The importance of food chain CR dimensions](image-url)
The respondents of the survey were also asked about the importance of the dimensions of food chain CR in the future. Figure 2 shows that the food chain should take all the seven dimensions of CR into account also in the future. Food safety was perceived to be the most important dimension followed by environmental responsibility and animal health and welfare. However, although at the moment nutritional responsibility was considered more important than occupational welfare, in the future consumers consider the latter to be more important than the former.

![Figure 2](image)

**Figure 2** The importance of food chain CR dimensions in the future

The first hypothesis was that the food chain CR dimensions that are the consumers perceive as concrete and close to themselves are more important to them than the dimensions connected with the food producers and their actions. The results show this to be the situation. Consumers certainly seem to be most interested in those dimensions of CR that are relevant to either themselves or the society instead of those dimensions that are relevant to the internal operations of companies.

### 4.2. Consumers’ CR Information wants

In terms of receiving and wanting information about food chain CR, consumers want information on all the seven dimensions. As Figure 3 illustrates, at the moment consumers feel that they receive the most information about nutritional responsibility, food safety and local market presence. Animal health and welfare and occupational welfare were the dimensions from which the least information is available.
Food safety, nutritional responsibility and local market presence were considered to be dimensions on which consumers want to be informed also in the future as shown in Figure 4. The results of the survey indicate that consumers want to have more information on all seven dimensions in the future than they are receiving at the moment.

The second hypothesis is that consumers want to be informed about those dimensions that are concrete and close to them. The results show this to be true. Consumers seem to want information about those
dimensions of CR that are relevant to either themselves or the society instead of those dimensions that are relevant to the internal operations of companies. Moreover, the results indicate that although consumers feel that they receive the most information about those dimensions that they are most interested in. However, the results also indicate that consumers want to receive information about food chain CR also in the.

### 4.3. Communication Channels

The respondents of the internet survey were asked about their perceptions of the different communication channels used to communicate food chain CR in terms of how appealing and reliable they are. The respondents were given 15 alternatives out of which they were to choose three most appealing and most reliable communication channels. The available alternatives were: product packaging; labels; leaflets and other material distributed in grocery stores; contact with company representative; contact with agricultural producer; websites of food producing companies; company reports; information published by NGOs; bulletins and websites of Food Agencies; publications and websites of research institutes; mobile applications; social media; news in media; advertisements in TV, radio, magazines and newspapers; and word of mouth. In addition, the respondents were given the possibility to name some other communication channel alternative or state that they cannot choose. The differences between men and women are presented, since clear differences between gender as to what communication channels are appealing and reliable emerged from the data.

As shown in Figure 5 below, the majority of the respondents consider product packages and labeling as the most appealing means of CR communication. This is in line with the results of previous research. However, rather surprisingly social media or word of mouth was not perceived as appealing means of communication whereas leaflets distributed in grocery stores were seen as an appealing means for receiving information on food chain CR. In addition, company reports, information published by NGOs as well as bulletins and websites of Food Agencies and publication by research institutes were perceived as less appealing than for example the websites of food producing companies and direct contact with company representative or agricultural producer.

As Figure 5 indicates, women prefer labels more than men whereas men find bulletins and websites of Food Agencies and the websites of food producing companies more appealing than women. Men also seem to prefer direct contact with either company representatives or agricultural producers more than women.
As shown in Figure 6, in terms of reliability, advertisements and the web pages of food producing companies were considered the least reliable communication channels the most reliable communication channels being bulletins and websites of Food Agencies as well as publications and websites of research institutes. Product packaging and labels were considered to be reliable in addition to being appealing and they therefore seem to be good communication channels for food chain CR information.

News in media and information published by NGOs were perceived to be relatively reliable whereas advertisements and web pages of food producing companies were not viewed as reliable. It is worth noting that word of mouth was perceived as more reliable than web pages of food producing companies, contact with company representatives and advertising.

As indicated in Figure 6, there are gender differences. The most striking result to emerge from the data is that women find labels and information published by NGOs much more reliable than men do. Once again men seem to find personal contact with either company representatives or agricultural producers more
reliable than women. Moreover, it is worth noting that the communication channels that are the most appealing to the consumers (see Figure 5) are not perceived as the most reliable ones and vice versa.

![Figure 6 Most reliable communication channels for receiving CR information](image)

The third hypothesis was that consumers find appealing and consider reliable the communication channels that are not controlled by the food producing companies. Unbiased, third party information, such as information published by NGOs and bulletins and websites of Food Agencies, was indeed viewed as reliable. However, product packaging, the information on them being very much controlled and decided by the food producing companies, were perceived as most appealing communication channels.

To some extent this study produced results which corroborate the findings of a great deal of the previous work in this field. As stated in chapter 2.2. and 2.3. consumers are indeed interested in CR and want and expect to be informed about it. The results are consistent with those of other studies and suggest that labels are a popular and practical communication channel for CR information. Especially noteworthy is the popularity of labels among the women. However, it is interesting to note that men seem to prefer the internet and direct contact with agricultural producers and company representatives as sources of CR information, although they do not find them reliable.
In contrast to earlier findings presented in chapter 2.4., the respondents of the internet survey of this research are not in favor of inconspicuous CR communication and the so called minimal releases, such as CR reports, are not the most appealing or reliable communication channel for CR communication. On the contrary, the respondents seem to prefer and trust more product packaging that is essentially a company controlled communication channel. However, the need for unbiased information is visible, since both men and women tend to trust and find appealing the non-corporate communication channels, such as information published by NGOs; bulletins and websites of Food Agencies and publications and websites of research institutes. Another surprising finding was the fact that both social media and word of mouth were perceived neither appealing nor reliable.

5. Conclusion

These results can be, to some extent, explained with the three different perspectives introduced in chapter 2.1. Food safety and nutritional responsibility are directly linked to the consumer as the user of the product. These dimensions, therefore, are of a great interest to the consumer and directly linked to her wellbeing. There is already quite much information available on food safety and nutritional responsibility but it is important to inform consumers about them also in the future.

Local market presence, environmental responsibility and animal health and welfare are dimensions that represent the social and global perspective as well as the common good. These dimensions are important to the consumers at the moment as well as in the future and information about them is wanted. However, the dimensions linked with personal health and wellbeing were still perceived as more important. The results of this research indicate that the least important and interesting dimensions to the consumers are those connected to the internal operations of corporations. Consumers are considerably less interested in economic responsibility and occupational health and welfare, since they may be perceived as something that the consumer cannot have an impact and they do not affect the consumers’ own wellbeing. Moreover, in terms of economic responsibility, consumers may also feel that the food producing companies will always take care of their economic responsibility come what may, and the consumers do not therefore need to take an interest in it.

These findings suggest that Finnish consumers value food chain CR and want to be informed about it. However, when communication channels are concerned, the most appealing and popular channels are not the ones that consumers trust the most. This may be explained by convenience, since consumers seldom actively search for CR information, as stated in chapter 2.3., the product packaging and labels are a
convenient and easy way of finding out about CR issues at the point of purchase. This explains also the fact that contact with the agricultural producers and company representatives were perceived as an appealing, albeit not that reliable, means of obtaining CR information, since it is very convenient to be able to ask about the products and the company straight from its representative or food producer at a grocery store or a farmer’s market. It should also be noted that since the bulletins and websites of Food Agencies and publications and websites of research institutes are perceived a reliable communication channel, companies should actively seek to be mentioned in these channels and thus receive reliable publicity for their CR endeavors.

Corporate responsibility is an abstract concept that may be difficult for the consumer to understand. In terms of communicating food chain CR it would be worthwhile to consider how the concept of CR could be illustrated with the help of a combination of facts and concrete examples, thus providing consumers with information that is both comprehensible and accessible. Further research is required to elaborate this issue. However, the findings of this research may have implications for planning CR communication to consumers and consequently promote sustainable consumption.

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References


