CSR expectations: the focus of corporate marketing

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Abstract

Purpose – The purpose of this paper is to investigate the link between individuals' expectations of corporate social responsibility (CSR) and their readiness to support the socially responsible behaviour of companies in light of the expectational relationship a company has with its stakeholders, as defined in the corporate marketing model.

Design/methodology/approach – The data were collected using an online survey of 354 respondents from different backgrounds. The sample was 57 per cent female and 43 per cent male with 66 per cent of respondents aged between 20 and 40 years. The authors conducted descriptive statistics, a factor analysis, and structural equation modelling.

Findings – The results show that expectations of ethical-philanthropic CSR tend to have a significant positive influence on both types of intended CSR support by customers.

Research limitations/implications – The limitation of the research is the limited scope of the model. For more insight into the relevance of CSR for corporate marketing, it would be interesting to include other relevant variables from this field, such as identification with a corporate brand and corporate reputation.

Practical implications – The model suggests that ethical-philanthropic responsibilities seem to lead to a competitive advantage which is based on a desired customer response and reward. This is in line with the main focus of corporate marketing, which is the meeting of stakeholder and societal needs.

Originality/value – The paper empirically considers and challenges the acknowledged Carroll's classification of CSR, and links it with the readiness to support socially responsible behaviour of companies in general. In addition, it links the notion of CSR with that of corporate marketing, which strives to develop meaningful relationships with customers and other stakeholders.

Keywords Corporate social responsibility, Marketing strategy, Consumer behaviour, Competitive advantage

Paper type Research paper

Introduction

Corporate social responsibility (CSR) has become an important issue among stakeholders and in the corporate world. This enthusiasm is also reflected in the marketing literature (Kotler and Lee, 2005; Maignan *et al.*, 2005; Sen and Bhattacharya, 2001). Research studies have focused on different topics, such as social responsibility among marketing professionals (Singhapakdi, 1999), consumer reactions and responses to CSR (Sen and Bhattacharya, 2001), CSR practices, and corporate identity and purchase intention (David *et al.*, 2005). Marketing scholars have also been interested in developing a conceptual framework to integrate CSR and marketing with the aim of overcoming the previous tendency to focus on limited dimensions of CSR (Maignan and Ferrell, 2004; Maignan *et al.*, 2005). Thus, CSR has become a relatively visible phenomenon in the marketing literature, shifting the narrow notion of

consumer-based marketing to a broader corporate-level marketing concept (Maignan and Ferrell, 2004).

A prevailing understanding of CSR is based on the notion of stakeholders' expectations (Carroll, 1979; Whetten *et al.*, 2001), which are of important concern to corporate marketing (Balmer and Greyser, 2006). This means that an organisation operates within a network of different stakeholders who can influence the organisation directly or indirectly (Habisch and Jonker, 2005). Therefore, the scope of CSR focuses on company's commitment to avoid harm and improve a stakeholders' and society's well-being (Mohr *et al.*, 2001).

This paper investigates a link between individuals' expectations of CSR and their readiness to support socially responsible behaviour of companies in the light of the expected relationship a company has with its stakeholders as it is defined in the corporate marketing model (Balmer and Greyser, 2006). The individuals in our study are in the role of customers and citizens, important groups of stakeholders for consideration (Bhattacharya and Sen, 2004; Friedman and Miles, 2006; Podnar and Jancic, 2006). Research addressing CSR and consumers-as-stakeholders' perceptions and expectations is relatively rare to date (Beckmann, 2006, p. 164).

Corporate marketing and corporate social responsibility

First postulates of the emergence of the term corporate marketing, especially in terms of a corporate identity and corporate communication management, were introduced by Balmer (1998). The main idea of corporate marketing is the shift from a product and service to the corporate level concerns, i.e. marketing orientation should go beyond customers' wants and needs related to products and services (Balmer, 2001). This idea is not new in the marketing literature. One of the earliest attempts was indicated by Kotler and Levy (1969) and their notion of organisational marketing. At the same time, Lazer (1969) attempted to address marketing's societal dimensions. Marketers realised that environmental resources are not infinite and that societal and environmental impacts of conventional marketing should be considered (Feldman, 1971). Sweeney (1972) was one of the first authors to mention marketing as a social process – a process of exchange, interaction with all members of society. The notion of societal marketing introduced in the 1970s saw that marketing should incorporate society's interests into consideration as well (Abratt and Sacks, 1988; Singhapakdi, 1999). There have also been some developments in a sense of a "holistic marketing" concept, which embraces a stakeholder view of marketing (Jančič 1996; Kotler and Keller, 2006).

The stakeholder view which provides means for marketing to be accommodated at the corporate level was introduced into the marketing discipline through various fields, such as marketing orientation (Greenlay and Foxall, 1998; Kohli and Jaworski, 1990), relationship marketing (Grönroos, 1997), branding (Duncan and Moriarty, 1997; Kitchen and Schultz, 2002), public relations (Grunig and Repper, 1992), marketing communications (Fill, 1995), and corporate image, identity and reputation management (Balmer, 1998; Bernstein, 1984; Fombrun, 1996). Hence, the concept of corporate marketing embodies the stakeholder perspective; as according to this perspective, the organisation's stakeholders are not only the buyers of the company's products and services but also other constituencies to whom the extended corporate marketing mix is adapted (Balmer, 2001).

One of the main aims for taking a corporate marketing orientation is a value creation which goes beyond profit maximisation and includes long-term business survival alongside the meeting of societal (and stakeholder) needs and expectations (Balmer and Greyser, 2006). Hence, one of the most important elements of corporate marketing, from the CSR perspective, is its societal application (Balmer, 2001). This refers to balancing and meeting the needs of different stakeholder groups now and in the future as well as to showing sensitivity to societal issues (Balmer and Greyser, 2006; Podnar and Jancic, 2006). A company should focus on different, more diverse social issues. In terms of customers as important stakeholders this means that not only issues that affect customers' own welfare directly, such as product safety and ethical sales, but also those that do not have a direct impact on them (e.g. child labour, equal opportunities) should be considered (Maignan *et al.*, 2005). Thus, corporate marketing is based on the expectational relationship, which reflects both the stakeholder-institutional model (Balmer and Greyser, 2006) and CSR (Mohr *et al.*, 2001; Whetten *et al.*, 2001).

From the 1950s onward, scholars have offered several conceptualisations of the CSR concept (De Bakker *et al.*, 2005). They all had in common societal concerns and expectations of companies' stakeholders and society in general. The core of CSR is an idea that no company can afford to act opposed to or in isolation from the issues in a society (Matten and Moon, 2005). Hence, the CSR debate seems to imply behaviour which embeds a variety of social obligations towards stakeholders, namely, consumers, employees and others (Habisch and Jonker, 2005). CSR actions and information also reveal and provide customers with insight into the company's character (Sen and Bhattacharya, 2001, p. 228). Sen and Bhattacharya (2001, p. 226) introduced multiple conceptualisations of CSR, which range from the neo-classical Friedmanite view of shareholder responsibility to perspectives mandating companies to respond to their perceived responsibilities, and further, to a proactively responsible corporate role that exceeds stakeholder expectations. Thus, CSR can be understood as a balance of all responsibilities and policies which meet or exceed expectations, values and norms of stakeholders and society at large.

A question emerges, what kind of responsibilities and which issues a company should address in its CSR efforts and what kind of expectations stakeholders have. Several conceptualisations approached these questions from two different views: either through the empirical work surveying what kind of issues managers consider to be important or through defining CSR on normative grounds (Maignan, 2001). Despite a variety of both types of CSR definitions in the field of management and marketing (De Bakker *et al.*, 2005; Maignan *et al.*, 2005), the most widely accepted definition seems to be Carroll's (1979, 1991) which is a normative definition often used both by the management and marketing scholars (Abratt and Sacks, 1988; Aupperle *et al.*, 1985; Maignan, 2001). The reason for its acceptance can be that the CSR concept is really broad and problematic in terms of drawing up a definite list of issues which constitute CSR (Evuleocha, 2005). In addition, previous research shows that it is hard to assess the general CSR considerations that consumers or other stakeholders have. Researchers have mainly addressed only certain aspects of CSR activities such as corporate giving, which do not represent the full spectrum of responsibilities and provide only a limited picture of customers' expectations of CSR (Beckmann, 2006).

Carroll (1979) defined CSR based on normative arguments and suggested that a company has to fulfil four main responsibilities. Hence, the definition encompasses "the economic, legal, ethical and discretionary expectations that society has of organisations at a given point of time" (Carroll, 1979, p. 500). As argued by Matten and Moon (2005), this definition is the lowest common denominator of all CSR conceptions. In addition to being acknowledged in the literature, it has been empirically tested among US managers (Aupperle *et al.*, 1985), and consumers in three different countries (Maignan, 2001). It has also been used as a starting point for research on CSR reporting (Ellerup Nielsen and Thomsen, 2007). Based on this knowledge and following Aupperle *et al.*'s (1985) argument that many researchers tend to develop their own measures rather than use the established definitions in the literature, we decided to employ Carroll's (1979) classification of CSR to examine individuals' expectations. According to Carroll (1979), the economic dimension of CSR requires that companies are profitable, the legal dimension involves their working within a legal framework, the ethical dimension refers to ethical or moral standards, and the discretional dimension is based on companies' voluntary actions that benefit society (Carroll, 1979).

Following the above-described CSR classification and previous research using Carroll's framework (Maignan, 2001), customers are likely to differentiate among the four dimensions of CSR proposed, as suggested in the following hypothesis:

H1. Customers will differentiate among four dimensions of CSR: (a) economic, (b) legal, (c) ethical and (d) discretionary.

The role of stakeholder expectations

Stakeholder expectations are clearly a variable linked both to the CSR and corporate marketing concepts. In the last decade or so, the issues linked to CSR have become an important driver of public opinion (Dawkins and Lewis, 2003) and corporate reputation (Fombrun *et al.*, 2000). Expectations can be defined as beliefs of what is to be expected and they play an important role in many types of decisions (Creyer and Ross, 1997). Expectations regarding CSR are increasing and the media and other stakeholders are intolerant of those companies which are failing to fulfil their obligations (Dawkins and Lewis, 2003). Monsen (1972) argued that expectations defined CSR by representing the minimum level of responsibility. Other authors (Creyer and Ross, 1997; Sen and Bhattacharya, 2001) have argued that antecedents of consumer or stakeholder responses to corporate behaviour were, among others, their general beliefs and expectations of CSR. Research demonstrates that consumers form expectations about the ethicality of corporate behaviour (Creyer and Ross, 1997). Aware stakeholders may expect the organisation to at least comply with the legislative rules, to be ethical, trustable and responsible in its actions. They may also expect an organisation to become transparent in communication of its performance and be responsive to the needs of its stakeholders.

A certain number of individual stakeholders often share similar expectations about desirable corporate practices (Maignan *et al.*, 2005). Dawkins and Lewis (2003, p. 185) found that CSR factors that matter the most to customers worldwide were related to the treatment of employees, community involvement, ethical and environmental issues. According to Carroll's (1979) classification, these factors are related only to a legal, ethical and discretionary dimension of CSR. In addition, both research studies (Aupperle *et al.*, 1985; Maignan, 2001) that used Carroll's (1979) classification found

that the economic CSR dimension was negatively related to the other 3D. In her research on CSR support, Maignan (2001) stated that in Germany where legal, ethical and philanthropic dimensions were significantly more important and negatively correlated with the economic dimension consumers were more supportive of firms' CSR behaviour compared to US consumers where the economic dimension was salient. The economic dimension in the US sample failed to show statistically significant negative relation to other dimensions (Maignan, 2001). Furthermore, Aupperle *et al.* (1985, p. 458) argued that the social orientation can be appropriately evaluated through three non-economic components which are legal, ethical and discretionary dimensions.

Customers tend to incorporate their expectations and concerns into their behaviour towards the companies (Klein *et al.*, 2002; Maignan *et al.*, 2005). Expectations of customers about CSR actions impact the way customers will behave towards the companies (Creyer and Ross, 1997; Nebenzahl *et al.*, 2001). Creyer and Ross (1997) found that the extent to which consumers will reward or punish company's behaviour is a function of expectations of CSR and the perceived importance of ethical behaviour of a company. Furthermore, the responsiveness of individuals depends on the congruence between expectations and companies' actions (Dawkins and Lewis, 2003; Hallahan, 2001). It has been reported that the CSR orientation enhances employee satisfaction, motivation, and commitment (Aguilera *et al.*, 2004; Kohli and Jaworski, 1990) as well as the commitment of customers and their willingness to pay (De Pelsmacker *et al.*, 2005). Many customers are willing to put pressure on companies to behave more responsibly in such forms as customer boycotts. As opposed to boycotts, customers can also express their socially responsible concerns in such positive ways as ethical buying or ethical purchasing behaviour (De Pelsmacker *et al.*, 2005). Expectations about CSR serve as a reference point for customer intentions (Creyer and Ross, 1997). We, therefore, propose the following hypothesis:

H2. Higher expectations for the (a) legal, (b) ethical, and (c) discretionary CSR will be positively related to the customers' support of socially responsible behaviour of companies. Higher expectations for the (d) economic CSR will be negatively related to the customers' support of socially responsible behaviour of companies.

As a basis for identifying the individuals' readiness to support socially responsible behaviour, we used the classification on social movements by Stern *et al.* (1999). These authors argue that in order to respond to social issues, individuals typically actively participate in boycotts and demonstrations, as well as less intense types of support, for example, the customer buying behaviour as a subset of private-sphere support (Stern *et al.*, 1999). We investigated two forms of individuals' activities that show support (or criticism) towards (ir)responsible behaviour: a willingness to sacrifice oneself as a committed public activist, and a self-reported customer behaviour as a non-activist type of support. The latter includes, for example, the willingness to pay a higher price premium for products made by a socially responsible firm which average around 20 per cent more for the same product type (De Pelsmacker *et al.*, 2005; Polonsky *et al.*, 2001; Suchard and Polonsky, 1991).

Methodology

Measures

First, we conducted a literature review to find references to useful measuring scales of CSR expectations (Aupperle *et al.*, 1985; Maignan, 2001). We then generated a pool of items using the Slovene language and two other scholars from the marketing field examined the items for their consistency and representativeness. We made a pre-test (*n* = 160) to assess the quality and face validity of the items with inter-item, item-to-total correlations and reliability measures. Based on the results, we have solved some formulation inconsistencies. Some items adapted from the measuring scale by Aupperle *et al.* (1985) were replaced as they were proven to be inconsistent with others due to their relation to specific CSR issues. The result was a 22-item instrument with items, such as: "companies should reinforce their voluntary activities for society welfare" "companies should consider moral standards on account of profit" "companies should always conduct business in line with legal principles" and "companies should always improve economic performance". All items were measured using a seven-point (Likert type) scale anchored at "strongly disagree" and "strongly agree". A reliability analysis was conducted for all four CSR dimensions: economic ($\alpha = 0.80$), legal ($\alpha = 0.73$), ethical ($\alpha = 0.84$), and discretionary ($\alpha = 0.83$).

To measure support for responsible behaviour in terms of activism and changes in customer behaviour, we adapted questions by Stern *et al.* (1999) to be suitable for the context of our research. In part, items measuring willingness to support CSR behaviour were also collated with the scales used by Creyer and Ross (1997). We measured self-reported customer behaviour with items such as "when shopping I would be loyal to the company that is socially responsible" and "I would be willing to pay 20 per cent more for the products in order to support socially responsible company". The willingness to sacrifice or take up activism were measured with items such as "I would be willing to actively participate in the association protecting consumers" and "I would be willing to participate as a co-organiser of a boycott of a company involved in child labour". The reliability analysis revealed that both measures were reliable ($\alpha = 0.85$ for customer buying behaviour, and $\alpha = 0.80$ for activism).

Sample and data

The data were gathered among the adult Slovene population from December 2005 until February 2006 with a web-based structured questionnaire. Putting the questionnaire on the internet allowed us to conduct the survey in a more respondent-friendly way. Several positive benefits of the web surveys are reported such as significantly lower costs, respondents have less burden in returning a survey, a greater response speed, and a higher response rate (Kwak and Radler, 2002). The respondents were middle management and administrative workers from chosen middle-sized Slovene companies who agreed to participate, and participants of the two popular Slovene web forums where people discuss health, social and ethical issues. The first group was approached by e-mail containing a link to the survey and for the second group the link was placed on the forums. The respondents were granted anonymity and were assured that the study was conducted for a scholarly purpose. The questionnaire included a few demographic questions. Around 350 usable questionnaires were returned, a response rate of 33 per cent. The sample is 57 per cent female and 43 per cent male, which is comparable to the representative Slovene sample (CRJM, 2004) with 66 per cent of

respondents aged between 20 and 40 years, and 32 per cent of respondents aged over 40 years. Respondents are well educated; 39 per cent of respondents have finished high school, and 48 per cent have a university degree. Most of the respondents, 74 per cent, are already employed, 14 per cent are students and the rest are either unemployed or retired. The respondents come mainly from urban or suburban areas (73 per cent). The sample structure has general demographic characteristics of web respondents (Kwak and Radler, 2002) which means that younger and better educated respondents are overrepresented compared with the total Slovene or EU population. One of the questions also tested in our survey was a question of Schwartz's typology of values which was used in the public opinion survey on a representative sample (CRJM, 2004). The comparison of answers shows no significant differences in mean self-transcendence values between the two samples. Thus, although our study does not attempt to generalise widely, the results obtained cannot be dismissed as trivial.

Results

The means for the variables studied show that on average all but measures for the economic expectations of CSR are quite high, averaging around 5.0 on the seven-point Likert-type scale. The mean and standard deviation scores for all variables are shown in Table I.

To check and verify the four-factor solution, we performed exploratory and confirmatory factor analyses. The exploratory factor analysis (EFA) shows that a three-factor rather than a four-factor solution is more stable (Table II). Hence, ethical and discretionary items form a single factor, reducing the factors extracted to economic, legal, and ethical-philanthropic. The new ethical-philanthropic factor was again checked for reliability ($\alpha = 0.89$). With the confirmatory factor analysis (CFA) as a theory-testing method, we first checked a solution with four latent variables of CSR expectations. The construct validity was confirmed with goodness-of-fit indices GFI and CFI above 0.90, and RMSEA below 0.06 (RMSEA = 0.042; CFI = 0.96; GFI = 0.96). However, ethical and discretionary variable were highly correlated (correlation slightly above 0.90) which indicates a very strong connection between them. Owing to a high correlation and the results of EFA, we decided to modify the model to three latent variables and run the CFA again. The model again fitted the data rather well (RMSEA = 0.050; CFI = 0.97; GFI = 0.95). Based on the results, we cannot say that Slovene customers differentiate among four types of responsibilities: economic, legal, ethical and discretionary as proposed by Carroll (1979) and other studies' empirical findings (Aupperle *et al.*, 1985; Maignan, 2001). This assessment suggests that Slovene customers make strong associations between ethical and discretionary (or philanthropic) components and consider them inseparable as the

Variable	Mean	Standard deviation
Economic CSR	3.39	1.31
Legal CSR	5.51	1.07
Ethical CSR	5.33	1.23
Discretionary CSR	5.29	1.15
Customer behaviour	4.96	1.30
Activism	4.95	1.30

Table I.
Descriptive statistics of the variables

Companies should...	EtPhR	LegR	EcoR	Com.
actively seek to reduce unemployment	0.68	−0.08	−0.04	0.47
offer job opportunities for vulnerable groups	0.68	−0.13	0.02	0.42
have a clear politics for solving urgent social and societal problems	0.68	−0.06	−0.01	0.45
reinforce their voluntary activities for society welfare	0.63	0.08	−0.10	0.50
play a crucial role in projects aimed at quality of life improvement	0.64	0.02	0.11	0.36
consider moral standards on account of profit	0.57	0.07	−0.23	0.52
conduct ethical business despite being less economically efficient	0.56	0.26	−0.18	0.57
consider people, society, and nature before profit	0.56	0.02	−0.18	0.40
check every business decision in light of ethical standards	0.48	0.36	−0.12	0.53
define ethical standards and be faithful to them at all times	0.47	0.40	−0.06	0.51
first meet all ethical business principles and then think of profit growth	0.43	0.16	−0.16	0.33
always conduct business in line with legal principles	−0.02	0.78	−0.03	0.62
obey the law and regulations in all circumstances	0.03	0.73	0.11	0.54
not necessarily obey the law at all costs	−0.15	0.58	−0.19	0.31
always submit to the newest legal principles as soon as possible	0.02	0.47	0.12	0.23
be only allowed to do what is explicitly permitted by law	0.21	0.47	0.12	0.30
take profit as the company's only concern	0.04	0.00	0.80	0.60
take profitability as the only measure of effectiveness	0.01	0.02	0.74	0.54
always improve economic performance	0.04	0.01	0.70	0.45
work only for the shareholders' interests	−0.10	0.04	0.56	0.36
conduct business just for profit	−0.18	−0.10	0.50	0.39
be bound to achieve maximum profitability	−0.14	0.11	0.45	0.27
Eigenvalues	6.86	2.77	1.78	
Cronbach's α	0.89	0.73	0.80	

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Table II.
Exploratory factor analysis results for CSR expectations

social norms and values which companies should conform to. This is not uncommon; some authors suggest that the social orientation of a company can be assessed through the importance of social components such as ethical and philanthropic. In other words, social responsibility begins where legal responsibility ends. It incorporates all societal obligations beyond legal ones that are expected from the companies (Bloom and Gundlach, 2001; Davis, 1960; Jones, 1980). Our results challenge the question whether Carroll's (1979) four-part conception is indeed appropriate to describe customer expectations of CSR and whether it is theoretically important to separate the 2D. Based on these considerations and following the results of our study, we decided to use the proposed three-factor solution in our further analysis.

As expected, from the previous surveys, not all 3D are equally important to customers (Maignan, 2001). It appears that Slovene customers have the greatest expectations regarding legal and ethical-philanthropic dimensions of CSR. Legal ($t = 34.8$, $p < 0.001$) and ethical-philanthropic ($t = 31.8$, $p < 0.001$) dimensions were significantly more important than economic. Slovene customers tend to be similar to

German or French customers in this regard (Maignan, 2001). As Maignan (2001) found out in a similar study, only American customers believe that the economic dimension of CSR is very important which indicates existing cultural differences among stakeholders.

The final set of our hypotheses were tested using the structural equation modelling. The results show that expectations of CSR tend to influence the readiness to support CSR behaviour; however, this is only true for the expectations of ethical-philanthropic CSR that had a significant positive influence on the overall intended support of CSR included in the model as a second-order variable composed of self-reported customer behaviour and activism (see Table III for regression coefficients). Thus, the whole set of our hypotheses cannot be confirmed.

In addition, we assessed how effectively the structural model that included observed variables and hypothetical constructs fit the data obtained in our research. To assess the overall model fit, we used a combination of different goodness-of-fit indices. The results indicate a relatively good structural fit within the model. The RMSEA measure value is 0.06 which indicates reasonable (Diamantopoulos and Siguaw, 2000) or good fit (Hu and Bentler, 1999). The goodness-of-fit index (GFI = 0.93) and comparative fit index (CFI = 0.96) are both above 0.90 reflecting an acceptable fit (Figure 1). Owing to the fact that the value of χ^2 test was significant which indicates a possibility of accepting a poor model, we conducted a power analysis (Diamantopoulos and Siguaw, 2000). Power estimation of our model with approximately 70 degrees of freedom and a sample size of 300 is 0.978 (MacCallum *et al.*, 1996) which indicates that our analysis is sufficiently powerful and there would be a clear danger of rejecting a close-fitting model.

The explanatory ability of the model to explain intended customers' support for CSR was adequate ($R^2 = 0.41$). However, there were some problems with

	Dependent variable: support CSR	
	B	t
Economic expectations of CSR	−0.09	−0.93
Legal expectations of CSR	0.06	0.70
Ethical-philanthropic expectations of CSR	0.56	4.81
R^2	0.41	

Table III.
Standardised regression coefficients and *t*-values for the "Support CSR" model
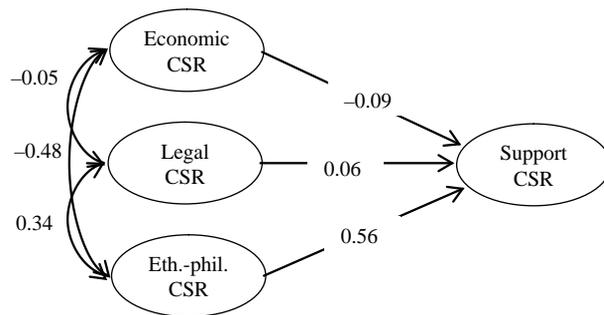
Figure 1.
Structural equation model for intended customers' support towards CSR

non-significant paths for constructs of the economic and legal CSR expectations. This suggests that the economic and legal CSR expectations do not operate in tandem with the ethical-philanthropic dimension in the explanation of intended customers' support for CSR. Hence, the model is typified by the central role of the ethical-philanthropic dimension of CSR expectations. This supports the arguments of authors that an evaluation and support of a company and its actions rest in part on the associations with altruistic (or selfish) motives of a company (Scholder Ellen *et al.*, 2006). Accordingly, customers respond negatively to efforts perceived as egotistic and positively to efforts they judge as altruistic (Scholder Ellen *et al.*, 2006).

Conclusions, implications and future research
Our findings provide an insight into how CSR expectations are related to the intended support for CSR. Similar to other studies that found that younger consumers tend to be more socially conscious (De Pelsmacker *et al.*, 2005) our results demonstrate that consumers from our survey generally have high expectations for CSR. The most interesting finding for corporate marketing is that individuals, above all, expect companies to be legally responsible and to comply with the ethical-philanthropic expectations. The economic dimension appears to be less important (mean score below 3.5) which implicates that cultural differences among stakeholders from different countries exist (Katz *et al.*, 2001; Maignan, 2001). Similar to the study in Germany and France (Maignan, 2001), our results suggest that Slovene respondents established a distinction between economic and other types of responsibilities which means that Carroll's concept may indeed not be fully appropriate to explain CSR expectations in the European cultural settings. Similar to German and French consumers, Slovene consumers also tend to expect companies to conform to the social and legal norms rather than achieve high levels of economic performance. In Slovenia, this may be due to the legacy of socialism where it was expected of the so-called societal-local oriented firm to share the profits with the local and broader community (Jančič 1990). Hence, the cultural differences and cultural values influence the construction of the stakeholder expectations of CSR (Kampf, 2007). This is an important implication in the context of "corporate marketing" indicating that it needs to be sensitive to cultural environments.

The ethical-discretionary expectations are reflected in customers' readiness to support the responsible companies or punish the irresponsible ones. This is important from the societal as well as corporate marketing perspective. Companies should encourage the ethicality and discretionary behaviour in order to benefit from it. Such corporate behaviour will be more positively evaluated compared to the purely economic, profit-oriented behaviour which may induce negative connotations in consumer minds. Corporate marketing managers should therefore be encouraged to play a more important role in shaping expectations of this kind. This can be done by embracing CSR as an orientation to ensure both transparent actions and communications.

In general, our findings indicate the importance of CSR for the stakeholder-institutional model which is in line with the corporate marketing. In terms of the corporate marketing mix introduced by Balmer (2006), this means that organisational-wide philosophy formed by the mix elements must encompass CSR. CSR should represent a basis for stakeholder management. It should have a place in the identity of a company, it has to be embraced by the employees and be part of the

corporate culture. It should be transparently and clearly communicated to reflect in the corporate reputation and corporate brand.

In practice, monitoring and fulfilling stakeholders wishes, needs, expectations, interests and behaviours is a main concern of corporate marketing. Therefore, corporate marketers must build social and ethical considerations into all levels of their companies' activities and daily practices. They also must carefully consider the role their company is playing in the society. CSR can be viewed as a corporate marketing instrument; a strategy that improves the long-term performance of an organisation. It is much more than a way for a company to gain the license to operate and goodwill in the public eye. Our empirical findings suggest that ethical and philanthropic responsibilities seem to lead to a competitive advantage of the company which is based on desired customer response and reward. Fulfilling these expectations is a way for companies to do well by doing good. In addition, our study suggests that fulfilling stakeholders' ethical and philanthropic expectations is not an obstacle that reduces the company profits but rather a way to enhance their bottom line and, at the same time, contribute to society.

When interpreting the findings from this study, some of the limitations should be mentioned. One of the potential limitations is that our study did not control for the social desirability bias when questioning about the expectations and support for CSR. This could be done for example by simulating a concrete and more realistic buying situation rather than measuring attitudes in general (De Pelsmacker *et al.*, 2005). However, several studies on socially desirable distortion suggest that the computerized-survey method can produce less socially desirable responses on closed-ended questionnaires measuring attitudes compared to the face-to-face interviews (Richman *et al.*, 1999; Yun and Trumbo, 2000). Another limitation is the limited scope of our model. For more insight into the relevance of CSR for corporate marketing, it would be interesting to include other relevant variables from this field such as identification with a corporate brand and corporate reputation.

Although Carroll's (1979) conceptualisation seems to be the most acknowledged and broad, our study confirmed the problems raised by Maignan (2001). With the discussion regarding cultural influences on CSR expectations and the results of our study concerning the ethical-philanthropic dimension, we came across the same issues as suggested by Maignan (2001, p. 70), whether the acknowledged Carroll's (1979) definition is appropriate to describe consumers' perceptions or expectations of CSR. Our results indicate that the conception is rather questionable. However, this issue should be further elaborated and addressed in further research in light of the theoretical need of separating the 2D.

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Further reading

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