BEING SOCIALLY RESPONSIBLE IN RUSSIA: DOES IT MATTER TO GLOBAL OR LOCAL FIRMS?

Yuliya Strizhakova, Rutgers University, USA
Robin Coulter, University of Connecticut, USA
Linda Price, University of Arizona, USA

ABSTRACT

Many multinational corporations that associate their brands with social causes in developed countries do not emphasize or disclose their socially responsible actions in emerging markets. However, increasing globalization and global media are likely to make consumers aware of corporate actions regardless of whether companies engage in them in one's country or in other parts of the world. Our goal is to assess effectiveness of cause-related green marketing by global and local firms in Russia. The study uses an experimental between-subjects design in which a company (global vs. local), a non-profit foundation supporting the cause (global, local, or none) and the social cause (global, local, or none) were manipulated.

The pattern of consumer attitudes and expectations for global and local firms differed in the emerging market. Global firms should be cognizant of the fact that young adult consumers are least likely to pay higher prices for just another global product that enters their market. However, global firms gain a strong competitive advantage in these markets by associating their new products with global causes and global non-profit organization, particularly if they were to appeal to young adult consumers who strongly believe in global citizenship. With regard to local firms, we observed young adult consumers in the emerging markets were more positive about local companies donating to the global foundation than toward those donating to the local foundation or not engaging in cause-related marketing.

References are available upon request.