ADVISOR’S REFERENCE

to the Master’s thesis by the second year student of MIB program Zhidkova Julia

SOCially RESPONSIBLE CONSUMPTION IN RUSSIA: PROSPECTS AND OPPORTUNITIES FOR PENETRATION OF INTERNATIONAL EXPERIENCE

The work of Julia Zhidkova is devoted to usage of strategic Corporate Social Responsibility (CSR) in product promotion. It raises the importance of culture as a driver for consumer behavior in the field of socially responsible consumption. Thus, in the work cultural background of CSR in developed countries is analyzed, then, the perspective to CSR and culture in emerging markets is provided; finally, the considerations are projected to the subject of Russia.

Main goal of the research is to find effective ways for CSR strategic development and promotion of products in Russia by the means of CSR, and to propose how the companies can use their international experience when designing the strategy.

To achieve this goal, several necessary tasks have been stated. The first task has been to understand how culture influences business-society relations in developed countries and in emerging countries in order to explain market demand for CSR in developed countries and effectiveness of excising tools of socially responsible marketing in mature markets. Then, attributes of ethical products have been analyzed. Then, the considerations have been projected to the content of Russia.

The next task has been to come up with an empirical evidence of how companies design CSR strategy in Russia and mature markets. For this, qualitative comparative analysis of multinational Fast Moving Consuming Goods’ companies’ CSR Strategies in the UK and Russia has been conducted.

The next task has been to assess readiness of consumers in Russia to buy ethical products. For this, quantititative research has been conducted.

The last task has been to derive framework for development of CSR strategy for product promotion in Russia on the basis of findings.

The work consists of six main chapters. In the first chapter, there is literature review, separated into two parts: the first part, “CSR and market”, provides perspective on business-society relations in developed and emerging countries; the next part of literature review, “Socially Responsible Consumer Behavior” (SRCB), provides detailed explanation of complex set of behaviors which compose SRCB. The chapter also contains perspective on socially responsible behaviors in Russia on the basis of surveys
conducted by sociological centers. In the second chapter hypotheses are created. The third chapter is devoted to methodology: the first part of methodology explains criteria for comparative analysis, such as criteria for companies selection, market selection; the second part of methodology is quantitative analysis of consumer behavior, on-line survey. In the forth chapter, the results are presented. Then, in the fifth chapter, the results are discussed. The results are compared with theoretical considerations, and the explanation for findings is proposed. In the seventh chapter “managerial implications” presents recommendations for FMCG managers in Russia in designing promotion strategy for products by the means of CSR.

In the research CSR strategy of three companies in Russia and the UK is analyzed. These companies are Procter&Gamble, Unilever, and the Coca-Cola Company. The results show that there are differencies in companies’ strategies; the companies put more stress on those CSR initiatives which support vulnerable sides of their products, in case if these products have met violent consumer dissatisfaction or sales boycotts.

In the quantitatitive research, several hypotheses were tested by SPSS 17.0 Statistics. The tests conducted to test hypotheses were One-way ANOVA, Independent Sample Test, and Linear Regression. The results show positive response to ethical products from consumers and that attitudes to CSR have direct positive influence to purchase intention. Young people who live with parents, mostly students, is the group who is more likely to engage into responsible consumption.

Summarized, the findings propose, that CSR in Russia should address to actual local problems, understandable to consumers. When designing product promotion strategy by the means of socially responsible marketing tools in Russia, it’s reasonable to target young people, students, who live with parents. Managers should consider actual local problems and cultural specifics of the country from one side, nature of products and international experience of boycotts from consumers – from another side.

For Russia, Socially responsible marketing Tools are proposed, and demographic groups, which are more likely to engage into SRCB are found.

The research adds significant contribution to the field of research of socially responsible consumer marketing in emerging countries, not only because Russia has never been a subject of such research, but also because in the research cultural spesific of CSR and target consumers is considered. Thus, the research raises the importance of culture in the subject CSR for further reseach in this field.

Moreover, the research provides FMCG managers with framework which would help to design strategy for product promotion by the means of CSR, and the evidense, which reveals consumers who are mostly interested in consumption of ethical products.
Julia Zhidkova proposes original marketing research approach based on materials of her own research. The Research advisor especially mentions creative character of the work of the thesis and good analytical skills demonstrated by Julia Zhidkova.

Thesis material is presented with a logical structure. Author’s hypotheses are confirmed by references to recent theoretical sources. Thesis includes a significant amount of empirical research data. The layout of all references, charts and schemes meets standards.

Author of the thesis has shown her abilities to analyse market research results. The thesis shows practical orientation.

The Master’s thesis of Julia Zhidkova meets the requirements for master thesis of MIB program.

(16/06/11)

Research advisor:

Senior Lecturer, PhD                                      Bogomolova L.N