

CORPORATE SOCIAL RESPONSIBILITY IN THE ROMANIAN COSMETIC INDUSTRY

MIRELA ABRUDAN¹, SABINA TATU²

ABSTRACT. Green has become the new black. Dealing with this idea, the trend nowadays regarding the beauty industry seems to be more and more about sustainability and corporate social responsibility policies. Lately, CSR activities are highly performed in order to create, strength and/or clean the brand image. Cosmetic companies have long received criticism for unethical and non-environmentally friendly business practices like animal testing, waste, pollution, unsustainable sourcing or toxic ingredients. Whether responsibility toward the world and sustainability has been part of the corporate DNA or not, the beauty industry is trying to demonstrate that the focus is not only on the external appearance of the consumer, on the aesthetic, but also on the ethical and moral practices. In order to differentiate themselves from the competition, companies implement CSR initiatives and strategies to create a strong and unique brand image. In this regard, the purpose of the present study was to investigate how the top three beauty companies in Romania communicate their CSR activities externally, on their corporate website, but also what impact this types of strategies have on the Romanian consumer and on their purchase decision, by the use of a qualitative content analysis and a survey. The underlying aim of this research was to investigate the most used and valued external CSR activities, so that other beauty companies can have a guideline of the most successful initiatives, but also to determine if corporate social strategies can influence the buying decision of the consumer in a positive and significant way.

Keywords: *corporate social responsibility (CSR), beauty industry, external communication, corporate website, customer purchase intention*

¹ *Department of Communication, Public Relations and Advertising, Faculty of Political, Administrative and Communication Sciences, Babes-Bolyai University, Cluj-Napoca.
Email: mirela.abrudan@fspac.ro.*

² *Department of Communication, Public Relations and Advertising, Faculty of Political, Administrative and Communication Sciences, Babes-Bolyai University, Cluj-Napoca.
Email: tatu.sabina@yahoo.com.*

1. Introduction

Corporate social responsibility (CSR) has gained increased importance during the last decades and this concept is nowadays more discussed than ever before. Continuous developments are being driven by innovative ideas in the cosmetics industry, where considerations such as responsible sourcing and social impact are leading the industry towards being one of the most ethically considerate in the world. Moreover, product innovation is not enough to succeed. Companies search for different ways to innovate and differentiate themselves. Therefore, cosmetics companies implement CSR strategies and activities in order to differentiate themselves from competitors and consider it as a resource that they can run innovative businesses.

Since the beginning, the beauty industry used to be blamed and disapproved for the conducted business practices, which were perceived as being unethical and harmful for the environment, like animal testing, unsustainable sourcing and chemical pollution (Organic Monitor 1). Cosmetics products are quality goods that are bought for their quality and for aesthetic reasons and since consumers are using and applying them on their own body, they are creating links based on trust, awareness, loyalty, emotions and sensitivity. The fact that customers are becoming more health conscious about the used products, leads to a constant concern about the chemicals and ingredients that can be found in this goods and also about the possible long-term detrimental and negative effects that this beauty products have on the body and the environment.

Because the cosmetic industry is highly consumer oriented, these companies felt pressured by the demands from society and are now increasingly and actively trying to adopt ethical, ecological and responsible business practices (Organic Monitor 2). The external communication strategy is an integral and very important part of the overall implementation of CSR and the way the beauty companies are presenting and framing the information regarding this activities should not only provide a better brand image or a resource that can be

used in order to run innovative businesses for the present, but should also become fuel for the future by leading to a constant growth.

The present study aimed to explore and to analyze the external role of corporate social responsibility initiatives in the cosmetic industry and the influence on customer purchase decision in Romania. The central questions of this research therefore are:

- 1) *How do the top three cosmetic manufacturers in Romania communicate their corporate social responsibility work externally, on their website?*
- 2) *How do corporate social responsibility activities influence the Romanian customer relationships in the cosmetic industry?*

The purpose was to investigate how beauty companies frame their CSR initiatives on their corporate website, how Romanian consumers perceive the importance of CSR, and if CSR has a decisive role in the purchase decision.

2. Literature Review and Useful Concepts

2.1 Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) has become popular in the early twenty-first century. Over the years the CSR concept has been defined, redefined and extended. When referring to CSR, the term is used as a wider concept such as defined in *Business for Social Responsibility* (2003) as achieving commercial success in ways that honor ethical values and respect people, social communities, and the natural environment. In many CSR related studies is used the definition provided by Carroll (1991, 39-48) which states: "The social responsibility of business encompasses the economic, legal, ethical, and philanthropic expectations that society has of organizations at a given point in time".

These dimensions, explained below, became nowadays requirements. Moreover, it is expected by society that organizations are increasingly committed in the ethical responsibilities, and the philanthropic obligations are desired.

In this regard, of Carroll's pyramid, the primary responsibility of the company remains to be profitable and to satisfy the shareholders, deliver value for the consumer and riches for the business (economic dimension). To obey and comply with the law, are the requirements of the legal dimension. To be moral, ethical and fair but also to respect people's rights and to avoid harm is what ethic is expecting from all types of organizations, while philanthropy expects performing activities that are advantageous for the community and being a good corporate citizen (Carroll, 1991, 39-48).

On the other hand, Friedman (1970, 23-22) states that "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase profits." He therefore asserts that there is no real reason for companies to involve in giving, because in doing so, the business does not increase profits in any way. Porter and Kramer (2011, 67) are analyzing the relationship between businesses and society from the shared value view point, declaring that "Companies could bring business and society back together if they redefined their purpose as creating 'shared value' – generating economic value in a way that also produces value for society by addressing its challenges." Another theory that describes CSR is the *Triple bottom line-approach*, which is investigating the dimensions of the so-called three Ps: people, planet and profits.

Triple bottom-line "captures the essence of sustainability by measuring the impact of an organization's activities on the world... including both its profitability and shareholder values and its social, human and environmental capital" (Savitz apud Slaper & Hall, 2011, 5). This theory and the shared value observation point are providing a more high-minded perspective on sustainability and company, while Carroll's Pyramid is more business focused. The mentioned approaches form a basis for understanding how CSR can be defined in theory but also how this practice can be used in a coherent way.

2.2 Corporate Social Responsibility in Romania

In Romania, the CSR concept emerged according to Mandl and Dorr (2007) in the 1990s, when several multinational institutions, numerous NGOs and Romanian organizations became common with the modern approach of CSR. At the beginning all these institutions were mainly focused on humanitarian goals. The tendency was followed and during the 2000s due to the major developments which occurred in the Romanian business environment by the accession to EU, CSR changed and became even more popular. Such developments refer most often to the process of replacing old technologies with environmentally friendly production/services, as well as to implementing employee health policies and society-oriented projects.

An important step ahead for CSR evolution in Romania can be recognized on two dedicated websites, www.csrmedia.ro and www.responsabilitatesociala.ro, which became affiliate of CSR Europe since November 2011 and where annually reports (*CSR Trends and Realities in Romania*, 2016) of CSR activities are made visible and explained through conducted studies. The last study that was made in Romania regarding CSR activities is called *Dynamics and Perspective of CSR Domain in Romania* (2018) and the goal was to determine and to explore the development and the perception of top executives, managers and CSR specialists from various companies in this country on the evolution, dynamics and challenges of this field in 2017 and 2018.

The study was conducted using 46% foreign companies and 54% Romanian companies. After investigating the results, the interpretation of the values was made based on the most relevant and viable indicators for the current analysis:

- 78% of the respondents, compared to 86% in 2017, have defined CSR as involvement in the community.
- 57% of the companies, compared to 55% in 2017, stated that they are involved in CSR because it is part of the PR strategy.
- 67% of respondents, dropping from 79% a year ago, say they are engaging their employees in CSR actions.

➤21% of the respondents, compared to 29% previously, declared that the CSR budget in 2018 is between 50,000 EUR and 100,000 EUR.

➤84% of the companies communicate about their CSR projects in social media (an increase of + 5pp), 81% through press releases (-3pp) and 78% through the company's website (stagnation).

➤75% of the companies, compared to 65% previously, targeted education for intervention and support and only 60% vs. 65% social domain.

➤30% of companies consider the environment to be the most important area for assessing the impact of CSR activity in 2018.

➤70% of respondents in 2018, compared to 72% previously, helped the community through cash donations, and 47% vs. 58% made donations in kind. (*Dynamics and Perspective of CSR Domain in Romania, 2018*)

According to experts in the field of CSR, Romania has made significant steps to integrate CSR in companies' gene, but is still learning what social responsibility means and how it should be best developed and exploited. "The efforts made by companies to approach a socially responsible business model are more visible than in previous years, also because of consumers who pay attention to the entire process of manufacturing and distribution of a product before buying it. Plus, they are careful of the impact that the company has in the community", stated Alexandra Maier, corporate social responsibility specialist with Avon. (Sebesi, 2017)

2.3 CSR Communication

CSR can only become tangible through the way it is communicated and presented using language, because without words nobody could understand and become aware of this kind of actions. It can even be argued that through language, meaning is given and action is established and this means that CSR is in a close relationship, even interrelated

with the communication process. Many studies have explored the process of CSR communication as a bridge between the company and its stakeholders. Even if it is hard to communicate to stakeholders, especially to customers, mainly because each of them is different and not all have the same values, opinions and expectations about social responsible behavior, Morsing (2005, 84-88) has proposed two types of strategies to enhance customer reactions with CSR communication.

The informing and interaction strategy are vital for a business in order to create a good positioning, awareness and also to inform the stakeholders. If this interaction is done right, the strategies will feed from each other and will create positive customers outcomes (stronger relationship, stakeholder identification). However, most CSR communication typically focuses on a company's involvement in various social matters and its engagement in a specific CSR cause where four factors are typically highlighted: the commitment to a cause, the impact it has on the cause, motives and the reason why it engaged in a particular social initiative, and the fit to the cause, the congruity between the cause and the company's business.

First, the commitment of a company to a specific cause is often described. This can present information about donating funds, in-kind contributions, corporate resources such as marketing expertise, human capital and other holdings (money, time) that are dedicated to the cause (Dwyer, 1987, 11-27). Secondly, the impact an organization has on a cause is frequently communicated by explaining what specific goals are achieved. Instead of focusing on the input side of its involvement in a social cause, a business can focus on the output side of its CSR aim. In addition to CSR commitment and CSR impact, CSR communication can also focus on CSR motives.

These motives can be either intrinsic or extrinsic, with extrinsic meaning that organizations engage in CSR in order to increase profits, and intrinsic that companies act out of a genuine concern for the social issue at hand (Forehand, 2003, 349-356; Yoon, 2006). Lastly, the fit, or the perceived congruence between a social issue and the company's business is often addressed.

Corporate social responsibility fit may result from common associations that a brand shares with the cause, affinity with specific target segments or corporate image associations created by the brand's past conduct in a specific social domain. This categorization of Shuili Du (2010, 10-12) is useful, because it shows how companies try to create a better relationship with their stakeholders and try to influence the perception of stakeholders about the company through communication.

After understanding the content of CSR communication, there are studies focused on the channels via which this communication is taking place. Nowadays there are a variety of communication channels through which information about CSR activities done by a company can be disseminated. According to a number of researchers, the Internet is the prime communication channel in this century, due to the fact that the information can be spread worldwide and can reach numerous stakeholders, so that companies are increasingly relying on this platform as a source for information (Isenmann, 2006, 247-256). Especially the corporate website is a popular and influential channel to showcase CSR commitment, and research has shown that there is a significant rise in the use of these corporate websites for reporting CSR initiatives (Isenmann, 2006).

Correlations have been found between the perception of customers towards a company's reputation and the type of communication channels, because the characteristics of a channel can lead to questions about the motives of companies (Rolland & Bazzoni, 2009, 249-163). As the Internet and the corporate website is the most used and preferred medium for CSR communication, this study will focus on the communication by cosmetic companies via this channel.

2.4 The Background of CSR in the Cosmetic Industry

In the present study, one specific business area is in focus - the cosmetic industry. To provide a better understanding of the current analysis, a brief background of CSR work within the industry will be presented.

CSR has a very important role in the cosmetic industry. Since the consumers use cosmetics, in terms of products, covering everything from basic hygiene essentials to luxury products, on themselves, it creates a personal link and connection with the industry. According to the OECD (2007), the main CSR focus for cosmetic companies is set on the environmental and ecological safety and the social standards. The first aspect refers to the control of the environmental effect on manufacturing place of activity, but also the delivery centers, the use of natural/bio substances in product recipes and of biodegradable/recycled and environmental friendly materials.

Of great importance are also the internal standards, such as employee development program (to increase employee satisfaction), like offering a motivating/productive work environment within the company, health and safety policies and non-discrimination of employees (by sex, age, race, and/or culture). External activities, for example helping and protecting cultures abroad by funding local agricultural projects and local agricultural economies, are as well desired social standards. The mentioned topics were investigated in the content analysis of this research, aside from other issues that do not overlap with previous research, like breast cancer, woman rights, self-esteem of the consumers, child abuse, sex-traffic, diversity or fair trade.

CSR issues have been long considered and assumed in the cosmetic industry, with pioneer CSR companies coming from this sector like Natura, The Body Shop, Aveda etc.. These companies' founders' core ambition clearly was to change consumption patterns. The cosmetic industry is thus in the forefront of CSR evolution and growth, due to reasons mentioned above, but maybe also because of a sense of working to get past its history of getting negative media attention due to animal testing, unethical product production and the product's association with vanity.

Altogether, the cosmetic industry is trying to get more socially and environmentally sustainable. However, in the increase and acceleration of this *green-washing* (when organization spends more time and money claiming to be *green* through advertising and marketing, than actually

implementing business practices that minimize environmental impact and when the company is trying to position itself as more socially and environmentally responsible than it is), false and uncertain information has become a problem. In this manner, it is becoming increasingly vital and crucial for cosmetic companies to practice transparency towards the consumers in order to gain their trust, and, as a result, to increase their income. (Sahota, 2014)

When concentrating on the relationship between the buying motivation and CSR initiatives, previous research conducted by Sen & Bhattacharya (2001) concluded that there is a beneficial and decisive connection between an organization's CSR activities and the purchase behavior, but only when a variety of conditions are satisfied. First of all the consumer has to support and believe the issue that the CSR initiative is dedicated to, the product has to be of high quality, and lastly the customer should not be required to spend more money for the social responsibility. In this matter, regardless if the CSR-activity is perceived as positive by the consumer, quality and price are more critical criteria for the buying decision.

3. Methodology

The methods used to answer the research questions of the present study are the qualitative content analysis and the survey. In the following, the collected data and their interpretation are illustrated.

3.1 Qualitative research method - Content analysis

One of the purposes of this study was to determine how the top three cosmetic manufacturers in Romania communicate their Corporate Social Responsibility work externally. In order to gain valid information that could allow the current topic to be explained in detail, a qualitative research was chosen as a method of study. The qualitative research

was used to outline, categorize and structure data, and to produce conclusions that helped with the gathering of examples of the most implemented CSR initiatives in the cosmetic industry.

The choice was made to identify leading cosmetic companies in CSR communication in Romania, to observe their external communication channels and further, using a quantitative research method, to identify how Corporate Social Responsibility activities influence the Romanian customer relationships in the cosmetic industry.

First, the CSR initiatives of three cosmetic brands were analyzed. Since only few companies were investigated, a selection had to be made and in addition, several filters were used. In this regard, the Top 50 cosmetic brands worldwide was used as a ranking (HAIGH, 2018). The most valuable cosmetic brands of the world are assigned a brand rating here, based on the strength, risk and future potential of the companies. This ranking was the most appropriate to determine the most well-known and purchased beauty companies of the world. A specific selection from this list was made after conducting an initial research that focused on companies that actually had CSR information available on their websites. Since the present research refers to Romania, the focus was on the top three beauty companies with the most purchased products in this country. According to a study conducted by *Stirile.ProTV* in 2017, and on a ranking made by *Wall-Street* in 2018, the leading cosmetics manufacturers in Romania are Avon Products Inc., followed by L'Oreal Group and Beiersdorf AG. After this initial selection, the following beauty brands were chosen as an object of the content analysis: L'Oreal, with focus on the company The Body Shop, the actual pioneer company in CSR initiatives, NIVEA and Avon.

The first goal was to identify how cosmetic brands frame their corporate social responsibility activities on their websites, how they communicate these initiatives externally and on what topics they focus.

The information regarding CSR on the corporate websites of the top three Romanian cosmetic companies was analyzed on several aspects. First, a short description of each company was made based on their history. Secondly, it was determined what commitments/internal

CSR activities are described and how they were performed, in order to understand more about the CSR activities cosmetic brands typically engage in. At the end, the external CSR activities are presented and analyzed. The investigation of the official website of each of the three selected brands was performed according to the following criteria: category of CSR activity/initiative; specification (name/concept of the conducted campaign; the purpose of each activity and the proposed goal).

Via the content analysis process, the collected data indicated the CSR activities, initiatives and information that are available online, on the website of each of the three chosen cosmetic brands. When comparing them, some aspects become clear and also some overlapping topics are noticed. Surprising was the fact that all brands have more or less the same topics that they discuss but in a slightly different manner. The website with the most CSR related information available and well described was The Body Shop, while AVON had by far the least facts and the CSR initiatives were not so clear and good organized.

The first common topic is philanthropy and/or charity. All brands do, however, support different kinds of causes. The Body Shop, for instance, defends Human Rights and supports causes that have to do with this issue, like child and sex trafficking, the right to education and domestic violence. NIVEA also supports causes dealing with children, their development and the well-being of the entire family. Avon is a company focused on defending women's rights and their health, but is also engaged in initiatives that fight against human violence.

All the analyzed companies fight against animal testing and are using alternatives like in vitro testing or clinical tests with human volunteers. It also became apparent that two brands have a foundation to carry out these missions, like The Body Shop Foundation and the Avon Academy. There is also a similarity in the way the companies support certain causes. An often used method is donating a certain amount of profits of a certain product to a cause, but also setting up trainings and involving the employees in certain causes is popular.

The Body Shop also uses petitions, which is something the other analyzed companies do not seem to do. Avon also does something different by involving celebrities in the causes and events. Secondly, the environment is often outlined as an issue in the social responsible strategy of the companies. All the three brands want to protect the environment and biodiversity by reducing gas emissions/CO₂, electricity, waste and water consumption. Actions that are taken in order to achieve these goals and commitments are mostly the use of raw ingredients, innovations regarding the packaging and generating as little waste as possible. There are, however, a couple of topics that are not discussed on the website of every brand. Breast cancer, for instance, is only discussed on the website of Avon, self-esteem is only a topic at The Body Shop, and social inclusion for the elderly or ending hunger for children seems to only be discussed by NIVEA.

In conclusion, it can be stated that the investigated cosmetic companies seem to frame their external CSR activities on the following topics:

- ✓ Environment/Planet
- ✓ Philanthropy/Charity
- ✓ Human Rights/Women Rights
- ✓ Protecting children and ending domestic violence
- ✓ Natural/raw ingredients and recyclable/reusable packaging
- ✓ Animal testing.

All these subjects seem to have something in common and to be related to the concept of humanity. The human aspect is in the center of each of the analyzed beauty companies and it became clear that people and their rights are also an important aspect of CSR. This result provides new insight in the knowledge about what CSR is related to and gives a better understanding of this broad concept, specifically in the beauty industry. It can be stated that CSR is a subject that is nearly linked to people and their emotions and the human area is as important

as sustainability, charity and the planet. According to this research and its findings, other future studies should concentrate and provide more insight into the specific CSR activities beauty companies engage in, for example by interviewing the cosmetic brand managers directly.

3.2 Quantitative Research Method – Survey

3.2.1 Questionnaire design

In order to analyze how Romanian customers perceive corporate social responsibility in the cosmetic industry and if CSR can influence their purchase intention and buying decision, a self-administered survey was deployed as a second research method. The questionnaire was designed using Google Docs. and sent via Facebook, E-mail and WhatsApp. 107 valid questionnaires were collected. 92.5% of the respondents were women and only 7.5% men. Most of the participants were aged between 18-25 (33.6%), being full-time workers (67.3%) and having a bachelor degree (56.1%), and a monthly income between 3,000 and 4,000 RON (31.8%).

The questionnaire consisted of 11 questions, written in Romanian language. First, the results regarding the general preferences and purchase motivations regarding cosmetic products were analyzed, followed by the customer acknowledgment regarding the concept of CSR and its initiatives, and lastly the relationship between corporate responsibility and the buying decision is discussed.

3.2.2 Data analysis

➤ *General preferences and purchase motivations*

Concerning the frequency of buying cosmetic products, as depicted in figure 1, most participants tend to buy such products quite frequently, either more often than once a month (47.7%) or once a

month (28.0%). Many of them also indicated the fact that they are buying beauty products once in three months (16.8%). Since the majority buys cosmetics rather frequently, they can be regarded as customers in the beauty industry.

Cât de des cumpărați produse cosmetice?

107 răspunsuri

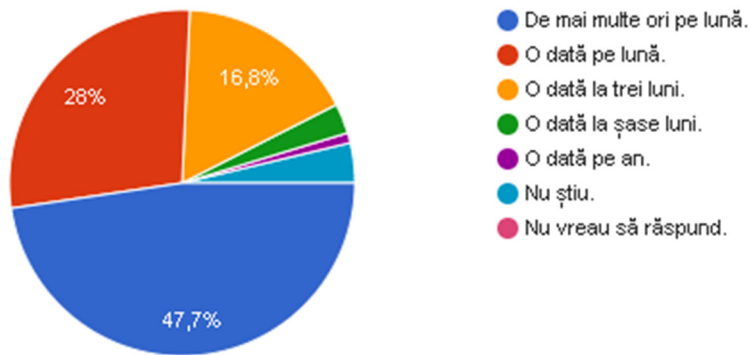


Table 1. Frequency of buying cosmetic products

The most popular brands among Romanian customers are L’Oreal, Vichy, Farmec, NIVEA, La Roche-Posay, NYX, Dove and Avon, as indicated by the respondents of the given questionnaire. As the present research is focused on the top three cosmetic brands in Romania, the interest was to test if the respondents would pick exactly these brands out of a self-made list consisting of 8 beauty company names, selected randomly. On the first place in the preferences of the respondents was L’Oreal (33.6%), followed by Vichy (17.8%) and Farmec (12.1%). NIVEA was on the fourth place (11.2%) while Avon was chosen by 7.5% and was on the same place with Dove and Estee Lauder. The results are illustrated in the table below.

Care sunt brandurile de la care achiziționați produse cosmetice cel mai des?

107 răspunsuri

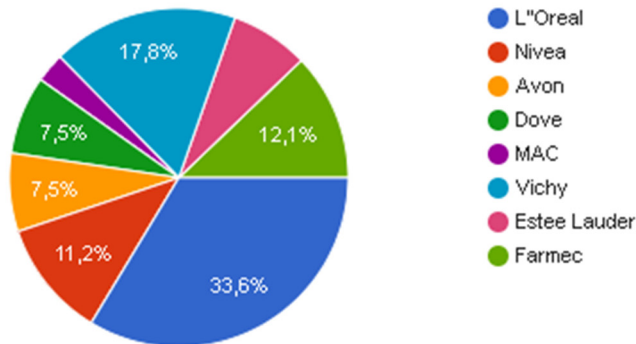


Table 2. Brand preference

Further, in order to determine the most important factors that have an impact on the buying decision, the respondents were asked to rank certain determinants depending on the degree of relevance. These factors were not specifically about CSR, but some options were related to the concept. This question served to understand what customers generally find important when it comes to buying cosmetics.

	1= most important	2= important	3= unimportant	4= most unimportant
Price	28.1	57.0	10.2	4.7
Quality	79.4	20.6	-	-
Packaging	15.0	37.4	34.6	13.0
Image of the brand	33.0	49.0	16.0	2.0
Environmentally friendliness	34.5	39.0	20.5	6.0
Ingredients	60.7	26.1	11.2	2.0
Previous experience	71.9	24.2	2.8	1.1
Recommendation	41.1	46.7	8.4	3.8

Table 3. Importance of factors in buying decisions

According to the table above, it seems that quality and previous experience are most important for customers when it comes to buying cosmetic products. Price, recommendation and the brand are an important factor for some respondents, which means that customers buy a lot of their cosmetic products based on the budget they have and the companies name and reputation. The most unimportant factor seems to be packaging.

When these topics are regarded as CSR related, it becomes clear that customers do not find them very important in their buying decisions, and that quality, previous experience, price and recommendation are more important factors. This could say something about the social value orientation of customers and could suggest that, in general, they do not find CSR important in their buying decisions. This aspect needs more investigation, therefore the following section will focus more specifically on CSR and on the perception of the customers regarding the given topic.

➤ *Customer acknowledgment regarding the concept of CSR and its initiatives*

The second part of the questionnaire focused on the recognition of CSR activities and strategies performed by beauty companies, as well as the issue support and the social value orientation. The acknowledgment is about how known and famous the concept of CSR is in Romania, the issue support refers to the importance of specific CSR concerns for consumers and the social value orientation indicates how customers value CSR and whether they find it important or not.

Questioning the knowledgeable-ness of the CSR term, the participants had to indicate if they are familiar with this concept and activities related to it or not, and if they do, some examples were asked. According to the given answers, 55.1% of the respondents are not aware of corporate social responsibility, 35.5 % stated that they know about this strategy, while 9.3 % could not tell if they are aware

of CSR or not. This statistic proves that most Romanian consumers are not familiar with the concept of social responsibility and the results should concern and be a question mark for companies regarding the promotion they are doing towards this concept. Among the mentioned brands known for having CSR initiatives were companies like: AVON, Estee Lauder, KUKA, JeffreeStar, Heineken, OMW, Continental and doTERRA.

The issue support was the next analyzed topic and the results linked to it should indicate how important it is for the consumer that a beauty brand supports and is actively engaged in different types of CSR activities/actions/initiatives. As it can be observed in the table below, the majority of respondents find the use of safe/natural ingredients as being the most important factor. Planet protection/ environmentally friendly production is also marked as being important to many consumers, as well as protecting the human rights. Least important seems to be donating to charity and the activation of self esteem.

	1= most relevant	2= relevant	3= irrelevant	4= most irrelevant
Environmentally friendly production	50.5	42.0	6.5	1
Donates to charity	29.9	45.6	20.6	3.9
Protects human rights	57.9	28.9	13.2	
Treats employees well	42.0	46.7	10.3	1
Encourages diversity	36.4	47.7	14.0	1.9
Protects the environment	71.9	27.1	1	-
Uses safe and natural ingredients	79.4	19.6	1	-
No animal testing	57.0	28.0	13.0	2
Activates self esteem of customers	49.5	37.3	10.3	2.9
Fights against breast cancer and HIV	57.0	33.6	8.4	1

Table 4. Issue support of the customers

The content analysis, however, made clear that all the analyzed beauty brands do engage in charity a lot; in fact, every company has much information about philanthropy or activation of self esteem on their website. In Romania all the evaluated brands (The Body Shop, NIVEA and Avon) engage in protecting human rights either through

raising funds for deprived children or by fighting against human violence or breast cancer and according to the above results this issue is indeed among the most voted ones.

Next, for measuring the social value orientation of the Romanian consumers, the respondents had to indicate whether they agreed with some given statements. Through social value orientation two aspects are targeted: the perceived importance of CSR and the awareness of CSR activities. The results are shown in table 5. 85 out of 107 respondents (79.4%) find it important that their favorite cosmetic brand contributes towards society and community at large but 35 (32.7%) do not know at all if their preferred beauty brand is engaged in CSR activities or not. This could mean that customers are not informed or unaware of the CSR initiatives and strategies of their favorite cosmetic brands. However, they seem to be interested in the information because a majority of the respondents thought that cosmetic brands should communicate their CSR more (76.6%).

	YES	NO	I do not know
It is important that my favorite cosmetic company contribute towards society and community at large.	79.4	6.5	14.1
I know if my favorite cosmetic brands are socially responsible in their daily practices.	20.6	32.7	46.7
Cosmetic companies should communicate their corporate social responsibility more.	76.6	3.7	19.7
It is easy to find information about social responsible cosmetic brands.	31.8	23.7	44.5
Are you willing to pay a higher price for a socially responsible cosmetics product?	65.4	11.2	23.6

Table 5. Statements regarding social value orientation

According to the results, it could be concluded that the Romanian consumer is actually interested in CSR and wants to know more about it, wants to be informed and aware about this actions but unfortunately they do not receive enough data and news from brands. When respondents were questioned whether they find easy information

about social responsible cosmetic brands or not, the answers were quite divided: 31.8% pointed out that it is easy to find information, 23.7% indicated that it is not easy, and 44.5% did not know if it is easy to find information. The fact that many respondents indicated that it is not easy to find data and facts about social responsible companies supports the previous statement that brands do not give enough information about their CSR activities or they do, but in a wrong way, as the consumers are not aware of them at all. An important matter is also that the majority did not know if it is easy or not to find data about CSR and this result could indicate that customers are not actively searching for information about social responsible cosmetic brands. However, a third of the respondents indicated that seeking for CSR data is easy, so they were also challenged to determine through which channels they receive information about social responsible companies. Participants who indicated they are not actively searching for this type of information were also able to answer this question, because even though they do not seek for it, it is possible that they confront this kind of data, even though not purposely.

De unde vă informați cu privire la activitățile de responsabilitate socială corporativă?

107 răspunsuri

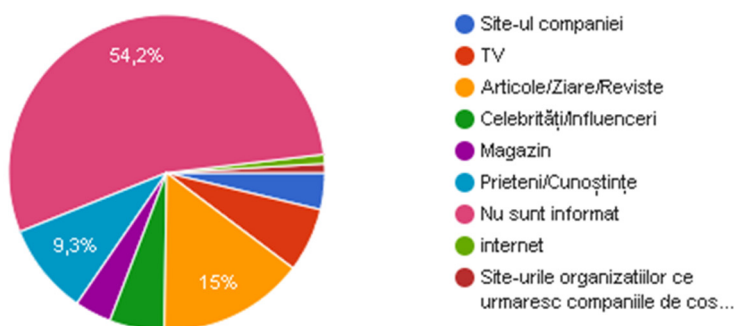


Table 6. Information channels

As it can be seen in the figure above, the most mentioned channels for receiving information about CSR were articles/newspaper/magazines (15.0%), followed by data collected from friends (9.3%) and TV (6.5%). The least mentioned was the Internet (0.9%). Surprisingly, the official website was only mentioned by 3.7% of the respondents, while this platform is regarded as a popular channel for companies to express their CSR through and is also being increasingly used by companies (Isenmann, 2006). As expected, 54.2% are not using any channels to gather news about CSR activities. This result stresses out the lack of interest about social responsible strategies in which beauty companies engage in.

Concentrating on the acknowledgement of CSR initiatives implemented by beauty brands and further on the effect of this strategy on the purchase decision of the Romanian consumer, the participants had to indicate whether they would pay a higher price for a socially responsible cosmetic product. 65.4% pointed out that they would pay more for a social orientated product, while only 11.2% would not do it. This finding could indicate that if the beauty companies would present their CSR activities in a better way, so that the information reaches the customer, the sales could increase.

➤ *The relationship between corporate responsibility and the buying decision of the Romanian consumer*

➤

The following section of the questionnaire was focusing on understanding and evaluating the influence of CSR on the relationship between the Romanian consumer and his/hers purchase decision. The results are presented in table below.

	1= strongly agree	2= agree	3= disagree	4= strongly disagree
I favor a company that makes a positive impact on the world.	78.5	17.8	2.8	0.9
I would recommend others to buy from a brand that is socially responsible.	63.6	29.9	3.7	2.8

	1= strongly agree	2= agree	3= disagree	4= strongly disagree
When a brand acts socially responsible, I exert effort to buy its products.	15.9	57.0	22.4	4.7
I am more inclined to buy 'green' products, even if they are more expensive.	72.9	21.5	1.9	3.7
I identify strongly with brands that are socially responsible.	23.4	55.1	19.6	1.9
I would switch away from my favorite brand if the company is not socially responsible.	27.1	51.4	12.2	9.3

Table 7. Relationship between purchase intention and CSR activities

As it can be seen in the figure above, the majority of the respondents would favor a company that makes a positive impact on the world (78.5% strongly agreed and 17.8% agreed). This could show that customers would rather prefer a company that is socially responsible and does not harm the environment/planet, to another one that would not have such a positive impact on the world. A similar result was obtained when it comes to brand recommendation. More than a half of the respondents strongly agreed with the statement about whether they would recommend others to buy beauty goods from a brand that is socially responsible, and more than a quarter of the participants agreed. It can be concluded, that most consumers would give recommendations and would rather support and advice others to purchase beauty products due to CSR activities.

Moreover, appellants were positive towards a couple of declarations that defined the buying intention. For instance most respondents totally agreed that they are more inclined to buy "green" (ecological/natural) beauty products, even if they are more expensive (72.9%), and also some of them partially agreed on this topic (21.5%). The interpreted results could indicate that Romanian customers are influenced in a positive way by goods that are eco-friendly and would spend more money for them, than for other beauty products that are cheaper but at the same time lower in quality.

Furthermore, most respondents agreed (57.0%) and some totally agreed (15.9%) on the statement whether they would exert more effort to buy a product from a company that is engaged in socially responsible activities. Also on the same topic a quarter of the asked customers partially disagreed on the same argument (22.4%). This demonstrates that people are not only willing to pay more money but are also prepared to make more effort to acquire quality/“green” products that are responsible towards environmental and social considerations.

When questioned about the personal identification with socially responsible brands, more than a half (55.1%) agreed but also a significant number of participants (23.4%) totally agreed on the same subject. Assessing the higher percentage, it can be concluded that Romanian consumers are more inclined towards organic goods and identify themselves with beauty products that have a positive impact on the environment and society in general.

When evaluating the brand loyalty, most people indicated they would switch away from a brand that is not socially engaged and agreed or partially agreed with this statement (51.4% agreed and 27.1% totally agreed), but many others disagreed or totally disagreed (12.2% disagreed and 9.3% totally disagreed) on the same topic. Judging the received results, it could be stated that consumers would give an irresponsible brand the benefit of doubt and would even give up on a beauty company that has a negative attitude against the environment. Regarding this matter, it can be concluded, when taking into consideration the previous statement as well, that the relationship is quite tight between brand loyalty and beauty products that are socially responsible, but not unbreakable or indestructible. As demonstrated through the obtained results, CSR is a subject that can arouse consumer emotions and therefore it can create sensitive links between customers and the brand.

The last aspect that was analyzed and evaluated in the survey was whether the Romanian consumer would penalize a beauty company that does not act socially responsible. Taking the abuse and

harm into consideration, the respondents had to indicate under what conditions they would not buy a product from a brand. The results are presented in the table below.

Nu aș cumpăra un produs cosmetic de la o companie care:

107 răspunsuri

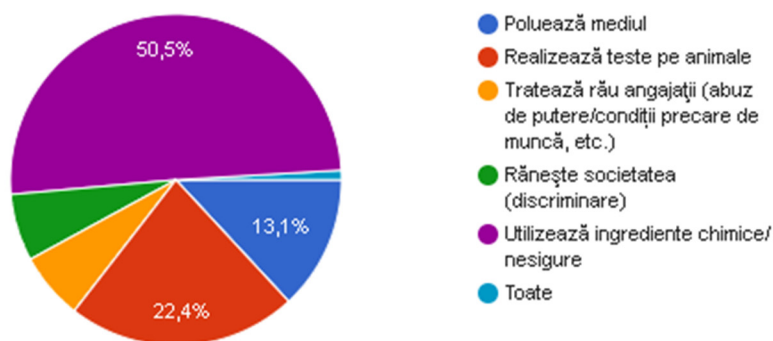


Table 8. Conditions under which customers would not purchase beauty products

Obviously, as the data indicates, the most important factor for customers is whether cosmetic companies use safe or unsafe ingredients. More than a half of the respondents indicated the fact that they would not buy a product if the beauty brand uses chemical or unsafe ingredients (50.5%). Like explained earlier in this study, when discussing the content analysis, cosmetics products are quality products that are bought for their values, features and for aesthetic reasons. Therefore, consumers find it increasingly important to know what the products consist of and what exactly they use on their body. This aspect also explains why the criterion regarding safe and natural

ingredients is considered as highly important. The second issue that was pointed as quite important was about animal testing: 22.4% of the respondents would not buy a product if it has been tested on animals. Overall, it seems that the participants to the survey find all conditions pretty important, with treating employees badly or harming society scoring lowest, but still 6.5% would not buy a beauty product from a company if it abuses the workers or hurt the society.

4. Conclusions

The purpose of this research was to analyze the external role of corporate social responsibility initiatives in the cosmetic industry, the influence on customer purchase decision and to answer the following research questions: *How do the top three cosmetic manufacturers in Romania communicate their corporate social responsibility work externally, on their official website?* and *How do corporate social responsibility activities influence the Romanian customer relationships in the cosmetic industry?* The aim was to investigate how beauty companies frame their CSR on their corporate website, how Romanian consumers perceive the importance of CSR, and if CSR has a decisive role in the purchase decision.

The content analysis of the three leading cosmetic brands in Romania: The Body Shop, NIVEA and Avon was conducted in order to investigate and to find the answer for the first research question. The qualitative research showed which activities are mostly framed as being part of the CSR strategy of beauty companies, namely: the environment/planet, philanthropy/charity, engagement in local communities/human rights, protecting children and ending domestic violence, natural/raw ingredients and recyclable/reusable packaging, animal testing and self-esteem of customers, fighting against breast cancer or HIV. All this subjects seem to have something in common and to be related to the concept of humanity.

The human aspect is in the center of each of the analyzed beauty companies and it became clear that people and their rights are also an important aspect of CSR. This result provides new insight in the knowledge about what CSR is related to and gives a better understanding of this broad concept, specifically in the beauty industry. It can be stated that CSR is a subject that is nearly linked to people and their emotions and the human area is as important as sustainability, charity and the planet. According to this research and its findings, other future studies should concentrate and provide more insight into the specific CSR activities beauty companies engage in, for example by interviewing the cosmetic brand managers directly.

The present study also investigated the motivations and reasons why the beauty companies engage in CSR initiatives. The results showed that all of them seem to have more or less the same interests. According to the theoretical framework and concentrating specifically on the *four-part model* of Carroll (1991) or on the *triple bottom line-approach* of Bailey, the so-called three Ps: people, planet, and profits, all types of responsibilities and obligations are important for beauty brands. They all attempt to be ethical, to be moral and fair but also to respect people's rights, to be social orientated and to avoid harm. At the same time, the economical reason should not be neglected, as it also became apparent that the brands want to increase profits by engaging in CSR.

It is actually the responsibility of each company to be profitable and to satisfy the shareholders, but at the same time to deliver value to the consumer and to increase the riches for the entire business. Next, all brands want to be charitable, to be a good corporate citizen and therefore perform in activities that are advantageous for the community by fighting against several human issues and engaging in fair trade. The environmental aspect, the planet is also a subject that every single beauty company is taking into consideration when engaging in CSR activities. Reducing the CO₂/electricity and water consumption or implementing the reduce/reuse, recycle/rethink and replant concept are also on the agenda of cosmetic brands. Lastly, even

the legal responsibility is recognized by at least one brand, which stresses out the obedience of the law in its CSR policy (The Body Shop).

The second research method, the conducted survey, was designed in order to understand the relationship between CSR initiatives in the cosmetic industry and the purchase decision of the Romanian consumer. The results framed the answer for the second research question, namely: *How do Corporate Social Responsibility activities influence the Romanian customer relationships in the cosmetic industry?*

Purchase motivation, general preference as well as awareness of customers were the first topics discussed. CSR activities are not related to the preferred brands and are therefore not something that determines whether a beauty company is perceived as favorite or not, indicated the collected data. Another result that is linked to consumers purchase motivation is the importance of the CSR activities (brand image, ingredients, packaging and environmental friendliness). When these topics are regarded as CSR related, it becomes clear that Romanian customers do not find all these factors very important in their buying decisions, and that quality and the previous experience are more important. These findings are quite uncertain and could be better investigated and analyzed in future studies, preferably in an interview format, to make sure the rationale understanding becomes clear and to allow a deeper discussion on the subject.

Furthermore, in order to find how customers perceive the importance of CSR, their issue support and social value orientation was investigated. The received data showed that the use of safe and/or natural ingredients is the most important CSR issue.

Planet protection/environmentally friendly production is also marked as being important to many consumers, as well as protecting the human rights. Least important seems to be donating to charity, fair trade, diversity or the activation of self esteem.

When comparing this information to the content analysis of the brands' corporate website some surprising results come into sight. One of the most discussed and presented CSR topic for the beauty

industry seems to be self-respect, confidence, philanthropy and/or charity. However, when it comes to the issue support of customers not many find this an important topic (29.9% charity and 49.5% activates self-esteem). This is also the case when it comes to animal testing. The Body Shop for instance is framing a big part of its CSR around this issue even though not many consumers find it an important problem. The current results should concern cosmetic companies and their used strategy regarding CSR activities, because there seems to be a discrepancy between what they communicate externally and what consumers desire to hear about.

Focusing on social value orientation, most respondents find it important that their favorite cosmetic brand contributes towards society and community at large (79.4%), but striking is that also a big amount of people does not know whether their favorite brand is socially responsible even though the majority indicated that cosmetic companies should communicate their CSR activities more. The fact that most Romanian customers are unaware, could be due to ineffective CSR communication, which would fit the above statement, that implies a discrepancy between what customers want and what companies do and implies that cosmetic brands should inform their customers better about CSR in order to gain strategic benefits. Furthermore, another issue could be that beauty companies do not use the right channels when it comes to their CSR communication. Due to the obtained results only 3.7% of the customers indicated that they receive CSR information via corporate websites, but the most popular channels seem to be articles/newspaper/friends and TV. It can be concluded that customers do not want to search for information themselves, but are interested in this topic so, in order to reach as much people as possible, CSR communication should consist of channels that directly target customers, without them having to exert much effort to receive information.

Regarding the transactional outcomes and the purchase preference of the Romanian consumer, the current results showed that customers are willing to pay a higher price and invest more money for products from social responsible brands (65.4%) and therefore, the buying decision

seems to be positively influenced by CSR activities. In terms of brand loyalty and long-term outcomes, customers would favor a company that makes a positive impact on the world and would also recommend it, but at the same time they would penalize and even switch away from a cosmetic brand if it were not socially responsible.

In conclusion, it can be stated that CSR is a topic that has the power to create strong and positive links between the cosmetic industry and the purchase motivation of the Romanian consumer. Nowadays, people are more inclined towards organic goods and identify themselves with products that are high in quality, made of natural ingredients and that have a positive impact on the environment and on the society as well. Good and effective CSR activities and a better communication of these initiatives can increase the profit of a beauty business and also enhance brand image and reputation.

5. Limitations

The present study has also its limitations. The first one is linked to the amount of participants. The survey was sent online and only 107 people responded to all questions. This amount was enough for data analysis and for sketching a valid conclusion, but a higher number of respondents could give a more accurate and well-founded picture. The second limitation refers to the sampling method of the conducted survey. Most of the respondents were woman and were aged between 18 and 25. Therefore, the obtained results can only be generalized to consumers in this category and not to the whole population.

Another important limitation of this research was the fact that no other research method was used to clear some uncertain results. For example, there were respondents that indicated that they do not seek for information about CSR activity or that it is not easy to find data regarding this concept, but it is still unclear why they are not interested in this initiatives or how the communication from companies should take place so that the information gets as easy and as efficient as possible to them.

Lastly, there are also limitations about the sampling of the content analysis. The selection of the brands was made according to the Top 50 ranking cosmetic brands worldwide and then the results were filtered using a research conducted by Ştirile ProTV in 2017. Therefore, the obtained data can not indicate the fact that the same three companies remained in top three in 2020 as well. In addition to that, only three brands were investigated, which cannot account for all cosmetic brands.

REFERENCES

- Avon, "Our History". Retrieved from <https://www.avonworldwide.com/about-us/our-story.html>, accessed March 2019.
- Avon, "Responsible Business". Retrieved from The Beauty of Doing Good, <https://www.avonworldwide.com/responsible-business>, accessed April 2019.
- Avon, "Animal Welfare. Commitment to Science... Respect for Animal Welfare". Retrieved from <https://about.avon.com/us-about/corporate-responsibility/animal-welfare.html>, accessed March 2019.
- Avon Annual Report. (2016). "Celebrating 130 years". Retrieved from http://www.annualreports.com/HostedData/AnnualReportArchive/a/NYSE_AVP_2016.pdf, accessed April 2019.
- Avon Annual Report. (2017). "The Beauty of Doing Good". Retrieved from <file:///D:/FSPAC%20Cluj/Disertatie/avon/2017-Responsible-Business-Report-Highlights.pdf>, accessed March 2019.
- Avon Career, "Changing Lives". Retrieved from <https://www.avonworldwide.com/careers.html>, accessed March 2019.
- Avon, "Commitments". Retrieved from <https://www.avonworldwide.com/about-us/our-values>, accessed April 2019.
- Bailey, Laura. (2013). "Defining Sustainability: Triple Bottom Line. New Leaf". Retrieved from <http://newleaf-llc.com/2013/07/defining-sustainability-triple-bottom-line/>, accessed March 2019.
- Carroll, A.B. (1991). "The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders", vol. 34, no. 4, pp. 39-48, Business Horizons.

- CSR Avon. Retrieved from <https://www.avonworldwide.com/supporting-women>, <https://www.avonworldwide.com/responsible-business>, <https://www.csrmedia.ro/csr-brand-avon-cosmetics/>, accessed March 2019.
- CSR Trends and Realities in Romania. (2016). Retrieved from <http://business-review.eu/sidebar-featured/analysis-romania-csr-sector-focuses-on-more-complex-projects-experience-of-companies-137110>, accessed March 2019.
- Dwyer, F. S. (1987). "Developing buyer – seller relationships". In *Journal of Marketing*, vol. 51, pp. 11-27.
- Environmental Responsibility at NIVEA. Retrieved from <https://www.nivea.co.nz/about-us/our-company/environmental-responsibility>, accessed March 2019.
- Forehand, M. &. (2003). "When is honesty the best policy? The effect of stated company intent on consumer skepticism." In *Journal of Consumer Psychology*, vol. 13, pp. 349-356.
- Friedman, M. (1970). "The Social Responsibility of Business Is to Increase Its Profits." *The New York Times Magazine*, 13. Retrieved from: <http://umich.edu/~thecore/doc/Friedman.pdf>, accessed March 2019.
- HAIGH, R. (2018). "Brand Finance". Retrieved from <https://brandirectory.com/rankings/cosmetics-50-2018>, accessed March 2019.
- Isenmann, R. (2006). "Management Models for CSR" . In J. &. Jonker, *Internet-based communication*. Berlin: Springer, pp. 247-256.
- L'Oreal Romania. Retrieved from <https://www.loreal.ro/media/press-releases/2017/jan/for-women-in-science-2018>, accessed April 2019.
- Mandl, I. & A. Dorr . (2007). "The Corporate Social Responsibility Model in Romania: A Theoretical and Practical Approach for Small and Medium Sized Enterprises". Retrieved from: <http://www.rejournal.eu/sites/rejournal.versatech.ro/files/articole/2011-09-01/2068/je41iamandiconstantin.pdf>, accessed March 2019.
- Morsing, M. (2005). "Communicating Responsibility". *Business Strategy Review: Special Report Corporate Social Responsibility*, pp. 84-88.
- NIVEA, "Commitments". Retrieved from <https://www.beiersdorf.com/about-us/our-profile/our-core-values>, accessed March 2019.
- NIVEA, "CSR Initiatives". Retrieved from <https://www.nivea.co.uk/about-us/our-company/sustainability>, accessed April 2019.
- NIVEA, "NIVEA in ROMANIA". Retrieved from <https://www.csrmedia.ro/?s=nivea>, accessed April 2019.

- NIVEA, "Sustainability". Retrieved from Products/Plane/People: <https://www.beiersdorf.com/about-us/overview>, accessed April 2019.
- NIVEA. Annual Report. (2018). "Annual Report". Retrieved from file:///D:/FSPAC%20Cluj/Disertatie/Beiersdorf-Geschaeftsbericht-2018-EN.pdf, accessed April 2019.
- NIVEA, "History". Retrieved from <https://www.beiersdorf.com/about-us/our-history/milestones>, accessed March 2019.
- OECD. (2007). "CSR and Trade: Informing Consumers about Social and Environmental Conditions of Globalised Production". Retrieved from <http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=td/tc/wp%282006%2917/final>, accessed March 2019.
- Organic Monitor 1. "CSR & Sustainability: How the Beauty Industry is Cleaning up". Retrieved from <https://www.ecoviain.com/r1805/?hilite=%27Beauty%27%2C%27Industry%27%2C%27Cleaning%27%2C%27up%27>, accessed March 2019.
- Organic Monitor 2. "Strategic Insights: CSR & Sustainability In The Beauty Industry". Retrieved from <https://www.ecoviain.com/709160/?hilite=%27Strategic%27%2C%27Insights%3A%27%2C%27CSR%27%2C%27%26%27%2C%27Sustainability%27%2C%27beauty%27%2C%27industry%27>, accessed March 2019.
- Porter and Kramer. (2011). "Creating Shared Value". In *Harvard Business Review*, vol. 89, pp. 62-77. Retrieved from: <https://hbr.org/2011/01/the-big-idea-creating-shared-value>, accessed March 2019.
- Rolland, D., & Bazzoni, J. (2009). "Greening corporate identity: CSR online corporate identity reporting". *Corporate Communications In An International Journal*, pp. 249-263.
- Sahota, A. (2014). "Best Green Practice". In *Sustainability: How the Cosmetics Industry is Greening Up*. United Kingdom: John Wiley & Sons, Ltd.
- Sebesi, Anda. (2017). "Analysis. Romania's CSR sector focuses on more complex projects - experience of companies". Retrieved from <http://business-review.eu/news/analysis-romanias-csr-sector-focuses-on-more-complex-projects-experience-of-companies-137110>, accessed March 2019.
- Sen, S., & Bhattacharya, C. B. (2001). "Does doing good always lead to doing better? Consumer reactions to corporate social responsibility". In *Journal of marketing Research*, vol. 38, pp. 225-243.

- Shuili Du, C. B. (2010). "Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication". Retrieved from https://www.researchgate.net/publication/228118694_Maximizing_Business_Returns_to_Corporate_Social_Responsibility_CSR_The_Role_of_CSR_Communication, accessed March 2019.
- Slaper & Hall. (2011). "The Triple Bottom Line: What Is It and How Does It Work?". Retrieved from <http://www.ibrc.indiana.edu/ibr/2011/spring/pdfs/article2.pdf>, accessed April 2019.
- Stirile ProTV. (2017). "Topul producătorilor de cosmetice". Retrieved from <https://incont.stirileprotv.ro/companii/topul-producatorilor-de-cosmetice-avon-romania-ramane-liderul-pietei-locale-urmat-de-l-oreal-c-i-compania.html>, accessed March 2019.
- The Body Shop, "About Us". Retrieved from The Body Shop: <https://www.thebodyshop.com/about-us/natura-and-co?clear=true>, accessed April 2019.
- The Body Shop, "Campaigns". Retrieved from <https://www.thebodyshop.com/en-us/about-us/against-animal-testing>, accessed April 2019.
- The Body Shop. (2015) "CSR Report". Retrieved from <https://www.thebodyshop.com/medias/Values-Report-2015-6.pdf?context=pdf/ha8/h40/9089793032222.pdf/>, accessed April 2019.
- The Body Shop-Enrich, "Not Exploit". Retrieved from <https://www.thebodyshop.com/en-us/>, accessed April 2019.
- Wall-Street. (2018). "Analiza pietei de produse cosmetice la nivel global: cresteri, tendinte si prognoze pentru 2018-2023". Retrieved from: <https://www.wall-street.ro/articol/International/233299/analiza-a-pietei-de-produse-cosmetice-la-nivel-global-2018-2023.html>, accessed March 2019.
- Yoon, Y. G.-C. (2006). "The effect of corporate social responsibility. (CSR) activities on companies with bad reputations". In *Journal of Consumer Psychology*, vol. 16, pp. 377-390.

