

Prioritizing Retail CSR Strategies: Developing and Applying the Kano Approach

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Abstract Retailers' decisions regarding CSR activities become ever more complex as the CSR domain widens. The "obesity epidemic" and attention to marketers' roles (Chandon and Wansink 2012) have brought promotion of healthier eating patterns (ProHEP) firmly into retailers' CSR portfolios (Lee et al. 2014). For prioritizing diverse CSR activities, the Kano concept (Kano et al. 1984) offers a theoretically grounded and managerially relevant framework, originally applied in the sphere of product attributes (e.g., Berger et al. 1993; Matzler and Hinterhuber 1998). This approach to understanding customer expectations for various attribute performance levels has since been applied the contexts of service marketing (e.g., Chen et al. 2011) and marketing strategy (Menguc and Auh 2006).

The present studies aim to: (1) evaluate the appropriateness of the Kano framework for prioritization of CSR strategies related to ProHEP; (2) test the application of Kano measures to specific CSR strategy options, drawing upon insights from consumer pilot survey data and managerial discussion groups; (3) deploy segmentation variables to profile customers' expectations for CSR activities; (4) develop new measures to minimize ambiguities in the wording, given the scope for error in the traditional Kano measurement systems; (5) test the alternative Kano measures on six ProHEP strategies, based on a national US survey; (6) compare perceptions of the Kano positioning of ProHEP strategies for leading US grocery chains; (7) draw conclusions for CSR researchers and provide recommendations for retailers and other marketers seeking to prioritize their CSR investments.

Our empirical studies include five group discussions with a senior management panel, a "quasi-qualitative" consumer survey ($n = 236$), a UK pilot survey ($n = 223$), and a national survey of USA shoppers ($n = 1,107$), testing and applying the new the methods of Kano measurement. By eliminating the need for alternating positive and negative questions, measurement error is reduced and clear distinctions demonstrated between the Kano functions of different ProHEP and other CSR activities.

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Contrasts also emerge in classifications by different stores' clienteles, demographic groups, and healthy eating (non)adoption stages. Researchers have opportunities to extend this work, with further validation of our revised Kano methodology in other national and strategic contexts. The study offers retailers and other marketing practitioners a robust and customer-focused aid to prioritizing their CSR strategies.

Keywords CSR • Kano Approach • Retail Strategy • ProHEP

References

References Available Upon Request