

The Strategic View and Development of Corporate Social Responsibility: The Case Study of Samsung

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ABSTRACT

At present, scholarly research on corporate social responsibility (CSR) is one of the hot issues in strategy since CSR is related to taking responsibility for stakeholders under the condition of maximizing the interests of company's stockholders. Taking the view of the Chinese market, this concept has been important and numerous local enterprises and multi-corporations have made actions and progress in this area for strategy. This article is focused on the case study of the Samsung company, which further investigates how well the firm performs in practicing CSR in the Chinese market and how consumers perceive its CSR activities. Samsung with local Chinese tactics combines the strategies of its firm in order to strengthen the company's competition and reputation in society. Furthermore, managers of Samsung have also been interviewed to ascertain how they deal with social responsibility. In order to identify the impacts of CSR activities, 365 valid questionnaires collected. Finally, the data analysis and recommendations for Samsung have been discussed in detail. The finding shows that first, the Samsung Galaxy Note 7 accidents with fire and explosion have negative influenced people's purchase intentions of its other phone series. Second, Samsung's social responsibility activities are beneficial to the firm's reputation and the company should promote customer rights visible to consumers and the society. It is interesting to point out that Samsung's corporate social responsibility activities have positive influences in customers' willingness-to-pay for its phones have been overturned in this case study. Implementing CSR activities is important to the firm's strategy.

KEYWORDS

Corporate Social Responsibility (CSR), Customer Perceptions of CSR, Managers Layout, Samsung Company

1. INTRODUCTION

Donham (1927) declared that the concept of Corporate Social Responsibility (CSR) was firstly coined by Clark to state that companies need to contribute to the society and people in communities. In addition, the International Organization for Standardization (ISO) has defined CSR as a special layout of private management and soft legislation which involves building the societal duties of firms, which is an important part of the strategy (Ihugba, 2014).

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Considering corporate social responsibility has become necessary for enterprises as it represents a development trend of transnational companies, which has also grasped the attention of economics and marketing scholars to study the practices of CSR (Lau et al., 2016; Vermander, 2014; Yin and Quazi, 2018). In the case of Chinese marketing, firms' awareness and skills in implementing CSR practices are far from satisfactory. In other words, many companies have ignored how to exercise social responsibilities or how to strengthen the relations with firms and the society. Hence, social responsibility of multinational corporations should be investigated since their influences can grow over a period and the impacts on their customers and the society as a whole can be extensive (Hildebrand et al., 2017).

During the past decade, many international researchers have investigated the CSR issues from various contexts and perspectives, but there are few studies of one-part excavation in one company sample, especially in the electronics industry. Samsung Electronics, a large enterprise in South Korea and multinational company in the international society, has earned the recognition of the public for its corporate social responsibility in South Korea and China. However, there was a large number of contradictions and conflicts during the process of putting CSR into practice due to the knowledge gap in the understanding of this concept and improvements of CSR practices in China. Considering the fast economic development and international influences of China and South Korea, CSR has become a topic that has attracted considerable attention from researchers to reach a more profound understanding of this company.

For these purposes, this article applies the quantitative approach that based on theoretical concepts of CSR and its framework to explore Samsung's corporate social responsibility management in China. Additionally, results of questionnaires to study the customers' perceptions of this area will be analyzed in detail and the views of managers on the strategies in social responsibilities of Samsung firm will also be discussed to understand the impact to the firm's strategy.

Samsung Company is a South Korean multinational corporation and is one of the listed top 500 global enterprises. Its group is South Korea's biggest conglomerate, which includes 40 for-profit companies such as Samsung Electronics, and seven Non-Profit organizations across finance, insurance, trade, chemical, services and machinery industries. Its electronics is well known for the creation and development of products such as televisions and smartphones. Byung-Chull Lee founded this firm in 1938 in Taegu, Korea, and then Samsung-Sanyo Electronics was established in 1969, which was merged with Samsung Electronics later (Samsung, 2016). In 1970, Samsung produced the first black and white television, which is the successful starting point for this company (Samsung, 2016). In the last few years, it has delivered many kinds of successful products to its customers such as its Galaxy S series and Galaxy Note series smartphones. Furthermore, this company also becomes one of the leaders of technology in the Android world for continually updating the hardware and software of different phones all the time.

In recent years, it released many products including the high-definition digital of televisions (HDTV) and watch phones. In addition, it never stops working on the design of televisions and smartphones through the way of releasing new modes with new functions and appearances at every one or two years. Samsung group is the representative of the South Korean enterprises, which has been voted to be the TOP5 brand all over the world. Moreover, it is holding the post of 21% of overall exports business in South Korea and making an outstanding contribution to the whole national economy (Samsung, 2016).

At present, this firm has been facing a series of problems, for instance, Galaxy Note 7 has faced recall and order cancellations on the account of the fire events since September 2016 (Martonik & Dobie, 2016). Moreover, vice president of Samsung, Mr. Lee, was charged with bribery and embezzlement, which has baneful influence in the company's reputation (CCTV News, 2017). South Korean media reported that Samsung is on the pivotal position in the whole of South Korea's economy and the crisis could even affect the country's economy (Hui, 2016). It can be seen that this company occupies the significant importance in the national development of South Korea and it will inflict

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