

Thesis Title: Multinational Corporations' Approach to Corporate Social Responsibility in Developing Economies: A study of IKEA in India and TOMS in Haiti

Abstract

This study investigates corporate approaches to Corporate Social Responsibility (CSR) in two developing economies – IKEA in India and TOMS in Haiti, using a qualitative research design focused on a case study. The study relied on data from corporate annual reports, websites, and media over the period ranging from 2014 to 2019. Drawing from the perspectives of the Stakeholders Theory, the study addresses three main questions: What impact does CSR have on communities in a developing economy and what different approaches can be taken? How do corporations utilize cultural marketing research to compliment CSR? In doing so, who do they collaborate with? The findings reveal that IKEA's approach focuses on partnering with local businesses, maintaining a set code of conduct, and increasing social spending every year to address India's issues, while TOMS stresses a feel-good marketing approach utilizing donations or handouts as their sole focus. The findings suggest that the understanding of a developing country's social and economic environments plays a crucial role in facilitating the engagement of corporations in socially responsible practices that support and improve the welfare of the communities served. The findings also show that prior analysis the social and economic environments is likely to predict the effects of any outside efforts by the corporations. The study contributes to extending our understanding of varying CSR approaches and their impact on society by creating socially sustainable communities. Future research should consider conducting interviews with members of the impacted communities by CSR practices and other stakeholders.

1. Introduction

For many years, corporations have allocated more and more of their budget to social spending, with the aim of helping communities around the world deal with their various social and economic issues. As a matter of fact, recently business schools, the media, the corporate sector, government, and non-governmental organizations have all begun to pay more attention to getting involved in world issues, according to *The Oxford Handbook of Corporate Social Responsibility* (McWilliams & Siegel, 2002). Through different Corporate Social Responsibility (CSR) practices, corporations provide help through donations, services, and partnerships with local businesses. CSR practices impact plenty of people and areas both directly and indirectly, including surrounding communities, society, the environment, and even the company behind the CSR efforts. In developing economies specifically, CSR plays a big role; focusing in decreasing prominent social issues at large, whether it be through grants, programs, or donations.

Across many studies, CSR has been classified into three main tracks; as a function of profit maximizing behavior (McWilliams & Siegel, 2002), institutional pressures (Campbell, 2007), or managerial cognition (Muller & Kolk, 2009). In this paper, we focus more on the function relating to managerial cognition, that is the linkage between the choice of actions a company has and their subsequent impact (Muller & Kolk, 2009), more specifically we seek to analyze CSR practices and how they impact developing countries in the basis of the stakeholder theory and cultural marketing research strategies.

Utilizing qualitative research, we aim to address the following research questions: What impact does CSR have on communities in a developing economy and what different approaches can be taken? How do corporations utilize cultural marketing research to compliment CSR? In doing so, who do they collaborate with? Through two case studies, we take a close look at

IKEA's CSR practice in India, and TOMS in Haiti, analyzing each country's current social and economic situation and recurring issues, and each company's marketing cultural research, social spending based on financial reports, and their distinctive CSR practices.

2. Definition of Concepts

Throughout this research, various concepts were explored and examined to better answer our research questions. Specifically, the main focus was on corporate social responsibility, the stakeholder theory, and cultural marketing research. In this section, we will be introducing and defining these concepts for better understanding the research and the results acquired.

To begin, a broad way to define Corporate Social Responsibility (CSR) is the practices corporations undertake with the intention of having a positive influence in the world. As suggested by Carroll (1991), CSR is a morally colored concept that reflects a firm's concern for its stakeholders' moral rights that goes beyond legal requirements. In other words, CSR initiatives reflect a firm's moral value in accommodating stakeholders' welfare that is beyond the economic interests of the firm and what is required by law. CSR practices can vary a lot between corporations, with some showing great commitment and significant monetary allocation to social welfare, and others with relatively insubstantial commitment depending on other factors such as their profits. In this research, we will see two corporations who have a great commitment to CSR, but still pursue very different approaches.

Moreover, cultural marketing research can be defined as a process that evaluates a company's products or services within the context of a specific target market, in order to identify cultural barriers and gaps (Akaah, 1990). Cultural marketing research is very important in the context of CSR because it aids in its contextualization within a specific country, allowing

companies to understand a culture in great depth to appropriately tailor their practices and processes to the cultural differences found in their research. Additionally, cultural marketing research also aids in understanding a country's prominent issues, giving a corporation a better understanding on the areas their CSR practices should focus on the most.

A very important theory that works as the basis for contextualizing CSR is the stakeholder theory, "a theory of organizational management and business ethics that accounts for multiple constituencies impacted by business entities like employees, suppliers, local communities, creditors, and others" (Freeman, 2018). This theory emphasizes that a firm should create value for all stakeholders, not just shareholders, and is conformed of three main attributes – power, legitimacy, and urgency, which combine to conform different types of stakeholders as well. First, the power attribute in this case refers to when a stakeholder gets a corporation to do something it would not have done otherwise. It can be based on three dimensions: Coercive, based on the physical resources of force, violence or restraint, Utilitarian, based on material or financial resources, and normative, based on more symbolic resources such as esteem or acceptance. Second, the legitimacy attribute is a generalized assumption that the actions of an entity are appropriate with some socially constructed system of values, beliefs and definitions. Lastly, the urgency attribute is the degree to which a stakeholder claims call for immediate action. (Clarkson, 1995)

3. Methodology

In order to get a closer look at how corporations view and perform their Corporate Social Responsibility (CSR) in developing countries, We first evaluated the different research methods available, and which one would suit the research questions better. With my main topic having a

more holistic approach – CSR and cultural marketing research, we thought comparing two different examples and interpreting them was the most effective and fitting way, so we decided to focus on qualitative research, more specifically, case studies. As defined by the Oxford Dictionary, a case study is a process of research in which detailed consideration is “given to the development of a particular person, group, or situation over a period of time.” They are widely used across different topics to suggest or generate new ideas, illustrate theories, and even show different aspects of a certain situation. Since our exploratory research seeks to analyze corporations’ approaches to CSR when doing business with underdeveloped countries, we found case studies to be the best method. The first case study focuses on IKEA’s business ventures in India, and the second one on TOMS in Haiti. During these case studies, the cultural marketing research done by each company prior to conducting business in each country was also analyzed in order to see the effect it had on each company’s CSR.

In order to conduct the case studies, several steps were taken. I sought to not only understand each corporation’s way of business and social efforts, but also knew that understanding the overall social and economic issues each country currently is or has been undergoing was highly important in order to measure the effectiveness of each company’s approach to CSR. First, multiple sources were utilized, starting with each company’s official websites, their codes of conduct and conditions for working with international suppliers, and various yearly reports such as financial and “impact” reports. For IKEA, I took a look at their financial summary from the year 2018 (when they became part of the Indian market) and on, their annual reports from 2016, and the annual review and reports available for the IKEA Foundation and UNICEF India. As for TOMS, I looked at their impact report from 2019, which summarizes their whole history and what they have done from the very beginning. Additionally,

I looked at reports from partners for each corporation, such as APL Logistics India, one of IKEA's partners. After that, I read journal articles and academic sources that had done previous research not only on each company and country specifically, but also on Corporate Social Responsibility and cultural marketing research as a whole. These included journals from the *International Journal of Higher Education Research*, *The Third World Quarterly*, *the Journal of International Affairs* and various social sciences and sociology journals found in data bases such as EBSCO Host and Google Scholar. Lastly, more public media with analyses, opinion articles and critiques on each company's approaches and results were also taken into account, such as the New York Times, WRAL.com, HuffPost, Human Rights Watch, and even some short documentaries on YouTube. Additionally, the documentary "Poverty Inc." released in 2014 provided a lot of insight from stakeholders and economists. I also took a look at local companies that are partnering with IKEA or TOMS, such as APL Logistics India. With this, the efforts already made by their corresponding governments as well as other foreign companies were analyzed and compared with what IKEA and TOMS did in India and Haiti, respectively. Then, various articles from the media discussing each company's impact on their respective countries were considered as well.

While conducting the research and reading the various literature found, I took note of all of the important and relevant details by not only writing directly on the documents but having a set of notes for each case study. They were divided in sections, first adding all the background information about the development country (history, current social issues, government system, etc.), then the history of the company, their values, purpose, and the action they have taken to help the developing country they are working with. Then, more details in regard to their CSR

approaches and the Cultural Marketing Research done prior to pursuing any business ventures with each country was written in its own section of the research notes. Having the same sections for each country and corporations made it very easy to not only interpret the information found, but also compare and analyze the case studies. Below is a chart (Table 1) summarizing the information examined for each case study. Additionally, using key words in research and Boolean operators such as “‘Haiti’ AND ‘Foreign Aid’” also helped me narrow down my search and find journals that specifically addressed or compared topics directly connected to my research.

Table 1.

Company	Industry	Country	Partners	CSR Approach	Employees in Developing Country
IKEA	Furniture, Home Decor	India	- APL Logistics - UrbanClap	- The IWAY method and guidelines - Partnership with local companies with similar ethical code and developmental goals	45k Direct, 400k in extended supply chain
TOMS	Footwear	Haiti	- Haitian Artists Collective	- Based on product donations - “Buy one, Give one” - “For every \$3 we make, we give \$1 away”	Approximately 100 direct employees.

Source: Various company reports

Conducting these case studies allowed me to properly lay out the qualitative data in order to analyze it and interpret it, but also made it easier to thoroughly understand both case studies and input my own reflections, findings, and interpretations, giving me an important role as the researcher. Together with my own analysis and the research done, I was able to successfully conduct two case studies that answered my research questions while contributing to current knowledge about CSR.

4. Case Study Introduction

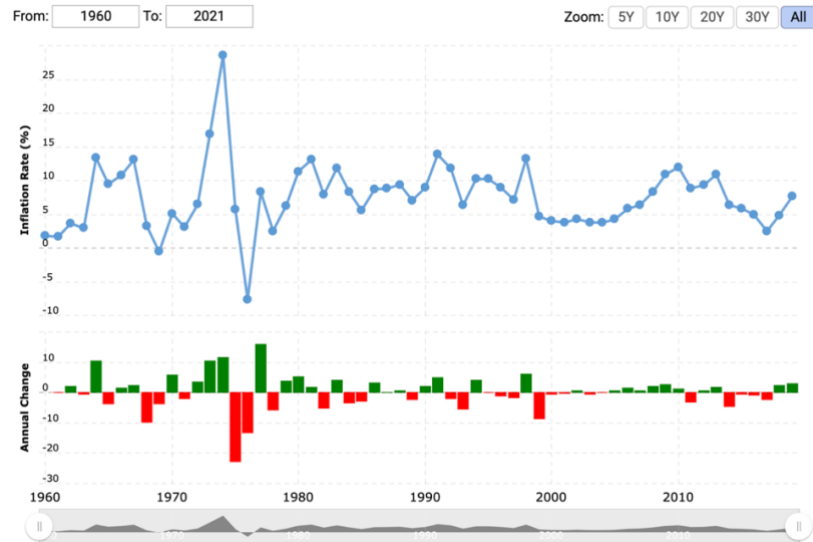
4.1 IKEA in India

IKEA, one of the world's biggest multinational conglomerates, is a Swedish furniture retail company that has impacted many countries and their economies as well. It all started from the moment it was founded in 1943 by a 17-year-old in Sweden, then becoming the world's largest furniture retailer in 2008. It began expanding its business in 1963, with their first international location in Norway. Since then, it has now operating stores in 58 countries. In order to not only deliver their Corporate Social Responsibility, but to also promote a stable and beneficial business for both IKEA and the country involved, IKEA imposes a very strict code of conduct known as "IWAY" (IKEA Supply AG, 2008). This code of conduct has been found extremely useful specially in underdeveloped countries with various social and economic issues, such as India, the country analyzed in the first case study. IKEA also partners with different Indian local companies to not only expand their supply chain, but to also get more support and help as they strive to accomplish various developmental goals in India.

4.2 India: Country Perspectives

India, officially known as the Republic of India, is located in South Asia, and is the second-most populous country in the world with also the largest child population. With a GDP per capita of \$7,034, India's overall economic score is below the regional and world averages, with an inflation that has changed a lot through the years and has recently been increasing, as can be seen below in Figure 1. This demonstrates the economic decline and trend the country is undergoing, presenting an opportunity for companies to help through CSR practices.

Figure 1

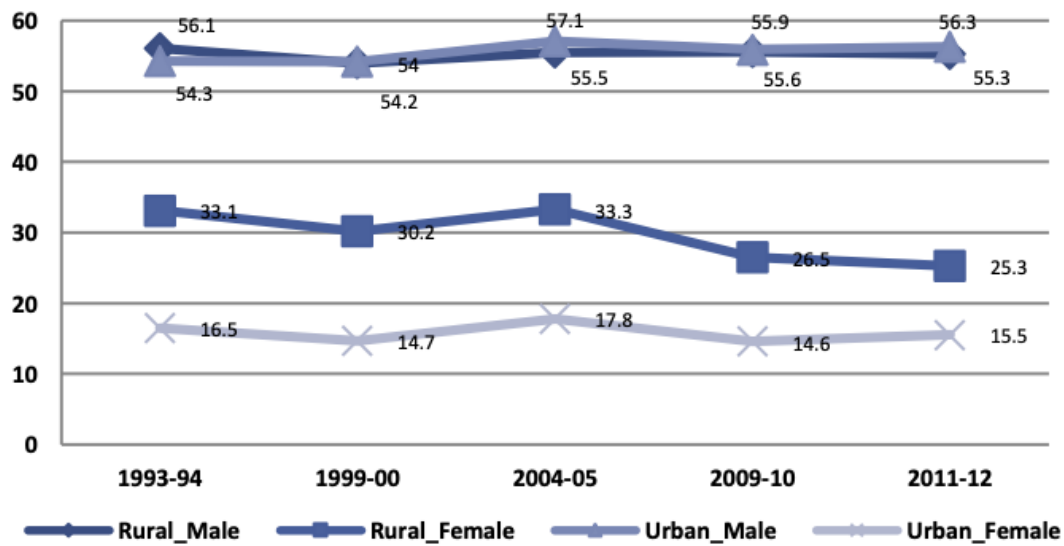


Source: “India inflation Rate 1960-2021”, Macrotrends.com

For years, India has struggled with many social and economic issues, including pollution, water scarcity, hygiene, and poverty. However, unemployment has been described as the most significant social issue in society. Though there are many possible causes, one of the biggest one is the large population in India relative to the number of jobs available. The government has recognized these issues and taken action to solve them, such as incorporating poverty alleviation programs or focusing on child education to get more employable citizens. However, these issues remain a big presence in Indian society. Additionally, water scarcity is often described as a very prominent crisis, with reports stating that “by 2030, the country's water demand is projected to be twice the available supply, implying severe water scarcity for hundreds of millions of people and an eventual six per cent loss in the country's GDP” (Matto, 2019).

Moreover, one of their other main issues include women’s rights and gender equality, with a declining rate of 25.3% of Indian rural women being part of the labor force in India in 2011-12, when it previously was 33.1% in 1999. (See figure 2 below)

Figure 2



Source: National Sample Survey, various rounds

Additionally, with the relatively recent coronavirus outbreak that has put the world in a rather unprecedented situation, the “fragility of the country's results in terms of the fight against poverty” (Thakker and Jaffrelot, 2020) has been highlighted more than ever. In 2019, the UNDP reported that India had successfully lifted 271 million people out of poverty between 2006 and 2016. However, in the same year, India’s Ministry of Statistics and Programme Implementation indicated that for the first time since this type of measurement was available, the poverty rate had begun to rise again.

India has 29 states and 7 union territories. For the case study, I mainly focused on the Telangana state, where IKEA India’s first store was established in the city of Hyderabad (See Figure 3) in 2018. Telangana State is India’s 29th state, created in 2014. Its population is around 350 million, with a current Gross Domestic Product (GDP) per capita of \$3,137 USD, which has

Figure 3



Source: mapsofindia.com

increased year after year at a faster rate than India’s GDP per capita. Additionally, Telangana recorded a record high growth rate in Gross State Domestic Product (GSDP) in 2020 with a 13.2% growth since 2012. As for Telangana’s capital, Hyderabad is a major center for the technology industry in India and is also home to many upscale restaurants and shows. Also, it has many historic sites such as the Golconda Fort, a former diamond-trading center, and The Charminar, a 16th-centure mosque that is considered a precious landmark in India.

4.3 TOMS in Haiti

TOMS is a for-profit company founded in 2006 that quickly became one of the most renowned retail companies in the world, being mostly known for the “shoe that started the One for One movement” (Oui In France). As stated by TOMS’ official website, their founder Blake

Mydoskie saw the hardships faced by children without shoes during a trip to Argentina in 2006. This inspired him to create a for-profit business with giving as its main focus. Proposing to donate one pair of shoes to a child in need for every pair of shoes the company sold. With Haiti being the main country for these donations. From then on, TOMS began to produce their shoes and use their One for One campaign as their main marketing selling point. Later in 2009, they invested in a team of international development, health, and nonprofit professionals now known as the “Giving Team”. This team led to relationships with over 200 humanitarian and nongovernmental organizations (NGO) in 80 different countries.

After a few years of giving, they updated their model to “For every \$3 we make, we give \$1 away” with the purpose to increase their impact. Additionally, they started an eyewear and coffee line to also contribute to sight restorations and clean water in various developing countries through multiple partnerships with companies who are part of their “giving team”. As seen in Figure 4 below, TOMS history begins in 2006 with the One for One initiative, followed by the day without shoes in 2008 to raise awareness for children’s health and education, and by the beginning of their partnership with humanitarian organizations in 2009. After reaching 1,000,000 shoes given in 2010, they started their eyewear line in 2011 to offer sight restorations to developing countries, then opening their coffee roasting line in 2014 to add safe water to their list of giving. In this timeline, we can see how TOMS’ efforts to help developing countries in reducing their societal needs had grown, now also having impact grants and the Tomorrow Project that gives employees the chance to donate \$10k to a cause they care about.

However, in 2019, due to a \$300 million loan due in 2020 the company was struggling to pay off, TOMS Shoes creditors agreed to take over the company in exchange for restructuring

the debt. The new owners also agreed to invest \$35 million in the company to show their support in the future growth of it, while continuing their initial commitment to giving (CNCB, 2019).

Figure 4



Source: TOMS' 2019 Global Impact Report

4.4 Haiti: Country Perspectives

Haiti is a country located in the Caribbean (See Figure 5) whose social and economic issues and difficulties are widely known across the world. For years, political instability has hindered the Haitian Government's ability to provide its citizens with their basic needs, causing extremely high rates of poverty and hunger. Based on various studies, more than half of Haiti's population is "chronically food insecure, and 22 percent of [its] children chronically malnourished" (Action Against Hunger). Also, due to their geographic location, they are very susceptible to displacement due to natural disasters. In fact, "[o]ver 140,000 households still need decent shelter more than three years after Hurricane Matthew caused [...] between 540 and 1,000 deaths." (Roth, 2020) Overtime, the problem only grows. This has brought on a lot of

attention from foreign humanitarian organizations who not only help after natural disasters, but also seek to provide help in order to feed those who are hungry.

Figure 5



Source: Geology.com

Economically, Haiti is the poorest country in the Western Hemisphere, with a GDP per capita of \$797 USD, and a Human Development Index (HDI) ranking of 169 out of 189 countries in 2019. Moreover, the latest poverty estimate done in 2012 suggested that more than 6 million Haitians lived below the poverty line of \$2.41 USD per day, with the poverty gap between urban and rural communities increasing as well (World Bank, 2020).

Additionally, with the current COVID-19 pandemic, their weak economy and political instability has only been seen more negatively affected, specifically impacting the poor and most vulnerable populations disproportionately, reinforcing already present social and gender inequalities.

5. Case Study Results

5.1 Corporate Social Responsibility Practices

After conducting the two case studies of IKEA in India and TOMS in Haiti, we were able to pull various conclusions and connections relevant to the corporate world and CSR. With both TOMS and IKEA's great various efforts done through each company's Corporate Social Responsibility practices to leave a positive impact in the countries they do business with, a lot of good overall results have been seen throughout the years. Based on a business case study done on IWAY at IKEA, it was found that IKEA has "changed the landscape in associated industries, such as textile production in India" (Business Case Study: IWAY at IKEA, 2016). From the very beginning, IKEA had multiple plans to help solve some of India's social issues with the employment of the aforementioned IKEA IWAY code of conduct and various other strategies proposed by both IKEA and India.

First introduced in 2000, the IWAY code of conduct specifies the requirements placed on suppliers of products and services in order to promote positive developments. Its requirements include: no child labor, no forced labor, no discrimination, at least minimum wages and overtime compensation, a safe and healthy work environment, preventing pollution to air, ground and water, and work to reduce energy consumption (IKEA Supply AG, 2008). Given that every country has different laws and methods of doing business, the IWAY code of conduct can be modified depending on the country involved, with the participating country also imposing their own requirements. In India's case, water treatment and management plans were required in order to do business with IKEA. Additionally, IKEA has put a big focus on human rights, sustainability, and entrepreneurship in India; currently, they have a partnership with APL Logistics India, who have a similar code of conduct based on the United Nation's Sustainable

Development Goals, with “initiatives that include harnessing solar power to reduce carbon emissions, installing acoustic enclosures to manage excessive noise levels, as well as introducing continuous improvement methodologies in managing workplace environments.” (APL Logistics, 2019).

The company has also partnered with other organizations to develop social entrepreneurship opportunities in India and now works to help India’s farmers improve both their incomes and sustainability by spending 1.35 million euros (\$1.84 million USD) to help them improve their incomes and reduce their use of pesticides and water on their crops (Ebnother et al., 2014). With India’s large child population, “8 million of [its] children are out of school, 28 million are working and every day 5,000 children under five years of age die,” so through IKEA’s 10-year partnership with UNICEF, they have reached 74 million children in India (UNICEF IKEA, 2011).

Furthermore, with only 27.2% of Indian women being part of the labor force, IKEA India is successfully working toward a 50:50 split of men to women, after initially having only 20% of female applicants when recruitment began at the first IKEA store in India (IKEA). Moreover, IKEA has introduced a one-of-a-kind initiative for mothers, “opening crèches at all its 25 stores in India to make it easier for female employees to cope with no-so flexible job timings.” (Chandna, 2016). This initiative avoids motherhood from being a reason discouraging women to join the workforce, and “with around 15,000 IKEA co-workers expected for the market over the coming years, an even more glorious future for [Indian] women lies ahead.” (IKEA)

As a result of their various efforts, they have been able to provide over 45 thousand jobs to those previously unemployed in India and continue to work toward developmental goals to solve the various aforementioned issues India is facing. According to their annual reports over

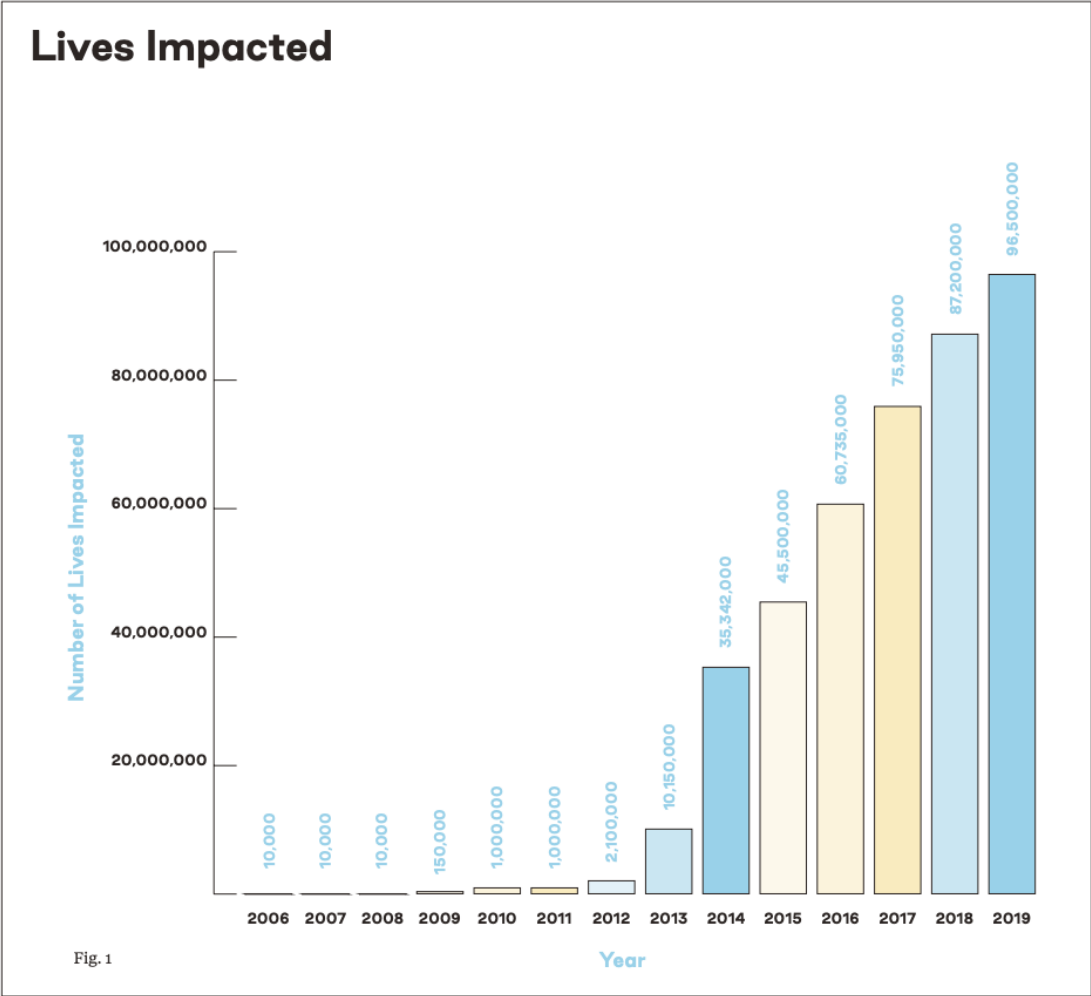
the years, their social spending has greatly increased, from allocating 9 million euros, to reaching an allocation of 200 million euros in 2019. Additionally, they have come up with various development initiatives as part of their operational costs. As stated in their IKEA Group Financial Summary from 2019, their initiative include new products such as flat-pack sofas, one thousand products for under 200 rupees (\$2.77 USD) in India, and new solutions for saving water such as their MISTELN water nozzle, which if used for a year people could save “as much water as the people of Sweden use in 12 years.”

Lastly, IKEA’s response to the Covid-19 pandemic and the negative effects it brought upon has helped Indian consumers purchase their necessities much more conveniently and at more affordable prices, specially given the heightened poverty and unemployment rates cause by the global outbreak (Sharma, 2020). After analyzing our research, we can observe that IKEA is very thorough and strict they when it comes to always keeping good ethics and ensuring they are leaving a good impact in the countries they do business with. The documents I have analyzed suggest that IKEA’s code of conduct and their routine audits to ensure everything agreed on and established are indeed being followed and are key to their success when carrying out their corporate social responsibility in reference to the perspectives of the Stakeholders Theory. However, understanding what India and its citizens needed the most from before any steps were taken toward future business ventures required a lot of cultural marketing research, which IKEA did extensively before deciding to expand their business to India.

With their initial “Buy one, Give one” model, former TOMS CEO Blake Mycoskie wanted to create a company that truly had a positive impact on those in need, and he successfully did so for a long time. As of 2014, TOMS had given over 33 million pairs of shoes, impacting nearly 40,000,000 of lives (See Figure 6). The idea behind giving shoes was not only to provide

Haitian citizens comfort, but to protect against infections and injury, as well as help increase a sense of well-being and self-worth within Haitian citizens.

Figure 6



Source: TOMS 2019 Global Impact Report

However, TOMS’ CSR practices took a turn after receiving criticism from professional global economists and Haitian locals themselves. In the documentary Poverty Inc, released in 2014, foreign aid and how bad it actually is for developing countries’ local economy was thoroughly addressed, with TOMS Shoes and their campaign being put on the spotlight for a good portion of the documentary. During this documentary, plenty of local Haitians who either

own a local business or had been impacted by the foreign handouts were interviewed, expressing their concerns for their country, expressing their concern regarding CSR practices and foreign aid dependency in Haiti. Throughout the documentary, different examples of local business going bankrupt due to locals being able to get free products through foreign aid are shown.

Following the popularity of this documentary and the follow-up criticism deriving from it, TOMS CEO Mycoskie was obliged to respond. To most people's surprise, he "first took his critics personally, but then [he] realized they were right [...] using [their] model to create jobs is the next level." This brought upon a change in their approach in order to support Haitian artists and local businesses, also bringing the plans to have one third of their shoes produced in the countries to which the company donates by the end of 2015 (Short, 2013). This suggests how TOMS priority is in fact, giving, taking criticism as an opportunity to change and grow. Their prompt change in CSR practices is nothing uncommon in the corporate world, seeing as widely known companies such as Nike have also done changes to their models after receiving feedback and or criticism from their market and stakeholders. Hearing the criticism given by Haitian locals and the action taken by TOMS as a corporation, we can observe the power attribute of the stakeholder theory being present. In this situation, the citizens become the stakeholders that gain power by asking TOMS to modify their practices to be more focused around things they need with and long-term solutions. Additionally, we can also see the urgency attribute taking place, as they claim for urgent attention through the Poverty Inc. documentary, claiming that some sort of change or action has to be made at some point, sooner than later.

After reconsidering their business model and their selling points due to the backlash they received, TOMS Shoes committed to opening a shoe factory in Haiti, aiming to create a minimum of 100 jobs and supporting the growth of a responsible, sustainable Haitian shoe

industry. The latter was to be achieved through the factory and TOMS' support of the Haitian Artists Collective, through which TOMS currently works with 30 artisans who design, paint and decorate limited edition TOMS retail shoes in order to provide direct support to local artists and the local Haitian economy. Now that TOMS has gone beyond handouts and foreign aid, their selling point and approach have taken a big turn from a “Buy one Give one” model to “For every \$3 we make, we give \$1 away”, in order to introduce a more flexible and sustainable way of giving through foreign aid. However, their focus is not only on shoes anymore, but also on sight restorations and providing clean water to those communities who so urgently need it. This way, their foreign aid is not merely focused on donating goods, but also on providing health services that help citizens in the long run. They have been able to achieve this by introducing a new eyewear and coffee line, directing one third of their profits to their 205 giving partners. As of 2019, they have achieved 780,000 sight restorations, and have provided 722,000 weeks of safe water. Additionally, they have also allotted \$6.5 million USD to impact grants to be given to many of their partners around the world who are working to create positive change across the three areas of feeling physically safe, mentally healthy, and having equal access to opportunity through TOMS’ “Giving Team”.

The company’s 2019 Global Impact Report recognizes the weaknesses in their initial CSR model, and how the concerns raised by different stakeholders were addressed through implementing various changes. This transition and openness to change is now one of their main marketing and selling points, stating how after their initial campaign, the public opened the company’s eyes and led them to new and important causes, making them feel like they could bring even more to the table. (TOMS, 2018).

5.2 Contextualization of Corporate Social Responsibility

Corporate Social Responsibility is practiced differently by each company, but how they contextualize it in the country they are targeting makes a significant difference in the type of impact their actions bring about. Athanasopoulou and Selsky (2015) argue that the “CSR field can benefit by combining or integrating multiple perspectives that bear on the social context, and by engaging in more explicit multilevel analysis of the social context within which CSR practices unfold” (p. 322–364). After the case studies that were conducted, the research suggests how important it is to know the country you are working with well, knowing its current political, economic, and social situation, as well as understanding its culture to some extent in order to forecast the effects the company’s efforts might have on it. With IKEA and TOMS having distinct approaches, the importance of contextualization of CSR through cultural and marketing research can be recognized.

Before establishing their first store in Hyderabad, India, the IKEA marketing team tried to truly understand Indian families and their customs, since they “aren’t used to the simplistic designs and do-it-yourself furniture that IKEA specializes in”, as said by Anil Mathur, the Chief Operating Officer of one of India’s premium furniture brands Godrej Interior. IKEA employees also visited over 1,000 homes in different cities to understand how families live, what their most common needs were, and how they as a corporation can address them. They discovered that with the large average size of Indian families and their often-random visiting, adding more inexpensive and convenient products would benefit the Indian market and essentially be key to the success of their stores. Also, with Indian consumers being used to free shipping and assembling, IKEA added “150 assemblers to its Hyderabad store, and it is working with UrbanClap, a home services company, to offer customers [...] the option of hiring a trained

carpenter to put together [their furniture] for about \$10.” (Goel, 1979). Additionally, in an interview made to IKEA’s Country Marketing Manager Ulf Smedberg, he was asked how a Swedish brand such as IKEA can make more of an “Indian sales pitch,” to which he replied to by emphasizing the importance of understanding both cultures and their needs and issues. He mentioned how it is “important to combine the typical IKEA and the strength of India. [also, they] are focusing on love that the Indians have for their homes and how IKEA can help them with that.”

Moreover, IKEA aimed to make the Swedish culture more known as well, since it helps the Indian market further understand them as a brand and concept and vice versa. After reading so much about marketing and cultural research and how different corporations do it, it is relevant mentioning how this type of research can be taken for granted and sometimes even skipped, leading some marketing campaigns to great failures. Therefore, seeing how much effort IKEA put into understanding their new market and taking cultural customs and everyday life habits into account, it can be seen how they have been able to properly establish themselves in India and even construct a connection between Swedish and Indian Culture. Their preparation for conducting business with India seems to have immensely contributed to properly delivering their corporate social responsibility and truly bringing positive change to a developing country with multiple prevalent social and economic issues such as this one.

After a few years of success with the feel-good marketing strategy TOMS so proudly used in their advertising and marketing efforts, some criticism from different media sources started to bring a different type of attention to the philanthropic company. Even though their campaign really made their customers feel like they were doing a good deed without really having to put much effort, the true positive effects this has on a developing country such as Haiti

were doubted and criticized by many. According to an article from vox.com, when TOMS worked with an outside research team to evaluate the impact of its shoe donations, the researchers were “unable to find a way in which the shoes had much of a substantive impact on poor kids' lives.” Their data actually suggested that “receiving the shoes [...] made the children slightly more likely to feel dependent on outside aid”, and this learned dependency can be “damaging and only lead the country to remain in their current economic and social situation”, or sometimes even worsen it.

While IKEA conducted an analysis of the context in which to conduct business in India, we found little evidence of the same in the case of TOMS in Haiti. Our findings suggest that TOMS' marketing research might have been limited to common knowledge of Haiti's social and economic issues rather than an in-depth analysis of the context in which they could bring social good. TOMS had an understanding of the overall social issues present in the country, but not enough data was found or researched to fully understand what could really bring social good or raise concerns about the nature of their practices.

When comparing TOMS to IKEA's extensive and in-depth cultural research as they follow a more holistic approach, it is worth mentioning the differing results achieved by each company, with IKEA having great success from the beginning till now, and TOMS facing more obstacles and criticism from the public despite their good intentions to give back to those in need through their more atomistic approach. Additionally, if we look at it from the Stakeholder's Theory perspective, we can see the different underlying factors that came into play in each corporation's practices. For IKEA, their main point of intervention was actually conducting business with India, establishing themselves as a company within the country. For this, they had to take the stakeholders into account more, seeking a sense of belonging from beneficiaries in

order to connect with their market, gaining a deeper understanding of the economic and social structure of the country, and forecasting what their actions in the country would cause not only in a business setting, but to the country as a whole. As for TOMS, their point of intervention was initially established through donations and foreign aid, without any direct establishment in the country. For this reason, not so much emphasis was put on the economic and social infrastructure of the country or on the stakeholders themselves. We can see how these very different cases fall into different areas of the stakeholder theory.

6. Conclusion

While CSR has gained the interest of researchers, corporate executives, and the public in general, studies on approaches taken to implement CSR in developing economies are not abundant. To fill this gap, this study investigates multinational corporations' approaches to CSR, focusing on the cases of IKEA in India and TOMS in Haiti. The study focuses on understanding of the impact that CSR practices have on communities in the selected developing economies, different approaches being taken by IKEA and TOMS, the use of cultural marketing research to compliment CSR, and the implications of the collaboration between corporations engaged in CSR and multiples stakeholders. The findings from the qualitative analysis suggest two main conclusions: the relevance of conducting thorough marketing cultural research prior to any business ventures and the importance of contextualizing CSR in line with the Stakeholder Theory.

With the extensive marketing cultural research IKEA did on India before establishing any business partnerships or ventures with them, the company was able to not only connect with the Indian market effectively and on a deep level, but also successfully exerted its Corporate Social

Responsibility strategies for the good of the communities it is involved with. After doing thorough research on IKEA's methods and approaches to CSR, it could be noted that IKEA found a way to not only protect its bottom line, but it also made sure all countries involved are benefitting from the business and no negative mark is being left by IKEA. Though maybe unintentionally, this follows the principles behind the Stakeholder Theory. Prior to establishing any further business in India, they were importing from India and were already familiar with their business operations. Also, their research was not only done for marketing purposes, but also to understand the country's social needs and the role they would play in it as a corporation. Their success in India so far is most certainly a product of the proper implementation of their IWAY method, partnerships with organizations such as UNICEF, and the genuine interest put in their social responsibility as a corporation.

As for TOMS, as many other companies, they faced multiple challenges in the beginning, with their good intentions portraying distinct results than the intended ones. Their initial campaign seemed to backfire on them at one point, not only harming the company's image and profit margin, but also not helping Haiti in the long run with their local economic development. Here we were able to see the power attribute of the stakeholder theory being present when the stakeholders gain power by asking TOMS to modify their practices. Additionally, we can also see the urgency as they claim for urgent attention. However, TOMS took their criticism as feedback and turned their model around to maximize the results of their original model. TOMS not only expanded their product line to promote donations to other areas outside of footwear (such as clean water and sight restorations), but they also expanded their philanthropic efforts to create a bigger, more meaningful impact through their "giving team" of over 200 humanitarian and nongovernmental organizations (NGO) around the globe.

Even though their CEO did have the right intentions, it can be deduced that their lack of initial cultural research is what brought upon the obstacles and challenges the company encountered. With a deeper understanding of Haiti's situation, more cultural competency and awareness, and wider knowledge on what CSR practices could potentially trigger some true economic progress, it would be interesting to see whether or not TOMS could have succeeded from the very beginning and reduced some of their obstacles, rather than having to update their business model and marketing campaign years after launching their brand.

The study depended exclusively on online data, i.e., corporate reports, annual reports, websites, media, interview quotes with top executives, case studies conducted by third parties and independent reports. Future research should employ a larger sample population and collect primary data. Research on CSR approaches in developing economies remains scarce. Future research should focus on the benefits of marketing and cultural research as well as contextualization of CSR in a wide range of industries. Finally, it will be interesting to conduct comparative and longitudinal research on CSR approaches in the context of developing economies. Despite these limitations, the study investigated to a large extent IKEA and TOMS' CSR practices and their relations to marketing cultural research from a Stakeholder Theory perspective in India and Haiti respectively.

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