

Chapter 61

Enhancing Retailer–Consumers Relationship Through Everyday Sustainability: McDonald’s in Italy

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ABSTRACT

The chapter aims at investigating the effects that the Communication of Corporate Social Responsibility and Sustainability exerts on consumers’ perception considering the fast food industry in Italy. the McDonald’s case study has been developed through managerial interviews and formal documents analysis in order to report on its strategies for CSR activities implementation and their communication in Italy. Moreover, through surveys conducted in Italy, the case study has been tested on a particular group of young consumers - Generation Z - less influenced by the past McDonald’s activity in order to demonstrate how communications of sustainability are better believed and perceived, when a brand has a long tradition of misperceptions.

INTRODUCTION

In the current market scenario, and mostly under the uncertain economical conditions driving customers towards their purchases, affirming that the more a business is conducted according to certain commonly recognized set of “good” rules and behaviours the more customers will be attracted to it, it is a sort of understatement.

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This is directly linked to what the business and academic communities define as Corporate Social Responsibility, or, Corporate Sustainability and Responsibility (Visser, 2013), taking as granted that every company that wants to succeed among its customers and, in general, be better perceived by its stakeholders, does have to base its whole business on sustainable practices, regarding the social, the environmental and the economical spheres at the same time.

Consumers are greatly influenced by marketing communications that go beyond the points of sale, meaning that sustainable and responsible business models can sell more than any other marketing message, simply because they are in line with implicit practices and expectations of behaviours (De Pelsmacker *et al.*, 2005).

What said above is more valid when applied to certain business sectors, characterized by a lowered loyalty, increasing in criticisms and misperceptions by customers and stakeholders as well as doubts over the veracity of companies' spread communication messages based on responsible and sustainable practices. Some of these sectors (such as the grocery and the banking) have previously been investigated by the authors (Candelo *et al.*, 2015; 2016) as far as those issues are concerned.

At this stage, the food industry is taken into consideration and, in particular, the retailing fast food industry, characterized by the so called "industry effect" that brings with it misperceptions and misjudgements among stakeholders that create difficulties in establishing, modifying and maintaining players' corporate image and so retain and attract new customers. The case of McDonalds' in Italy is investigated because of the intrinsic problems that the multinational has experienced over time connected to its rationalized and standardized production and sourcing methods, the quality of ingredients and overexploitation of lands and the evident drop in sales as consequence (Crawford *et al.*, 2015). Moreover, the expansion in Italy since 1985 has been accompanied by several everyday challenges linked to the fact that Italy is widely acknowledged for the high quality of its food and the processing and sourcing of raw materials. As a result, McDonald's strategy has started to be shaped and communicated based on a new set of rules.

Understanding what these rules are, how they are communicated and how they, in fact, drive customers' perceptions in a challenging food market such Italy is the aim of the present chapter.

Many are the examples of virtuous fast food companies in different geographical markets (such as Chipotle or Panera Bread Company) that have strongly and proactively shifted their core business based on sustainability in an integrated approach (Freeman *et al.*, 2010) that overcomes the traditional attitude of giving back to the society only once profit is reached and sees Corporate Social Responsibility or Sustainability implementation as a mere response to the mounting pressures of stakeholders (Torres *et al.*, 2012; De Pedro and Gilabert, 2012; Vallaster *et al.*, 2012; Kuepfer and Papula, 2010; Neal and Cochran, 2008; Freeman *et al.*, 2002; 2004; Macleod, 2001; Mohr *et al.*, 2001).

The present chapter considers that even when CSR and Sustainability are implemented and communicated as responses to customers' or stakeholders' criticisms over a certain business, they can change perception and create higher customers' loyalty under certain conditions for the industry at issue, that are, for instance: the presence of a long-term view, the coherence between promises and performances of CSR and, the focus on a communication over products rather than ideas.

After analysing McDonald's case study in regards to its CSR and sustainability communication efforts into the Italian market, the authors have focused the study on a particular category of consumers in order to test theories and investigate their perception towards McDonald's communication strategies in Italy. Generation Z (people born after 1995 according to Montana and Petit, 2008) has been considered, as it represents the next generation of possible consumers and, at the same time, the future challenge for fast food companies. As it will be reported in the present chapter, this generation seems to be very

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