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THE ROLE OF THE STATE IN THE FIELD OF SOCIAL RESPONSIBILITY

Summary

The CSR-oriented companies introduce some tools to demonstrate their environmental and social responsibility. Besides different activities which are presented in reports, certificates they apply for demonstration of their social and environmental engagement.

Due to the increasing awareness among consumers there is an even greater demand for authentic and independent guaranteed certificates which confirm the social responsibility doings. So in the last few years the use of thematic trademarks which are signs of the responsibility has spread.

The presented research focuses on a special segment of national park trademarks. The research questions within the framework of a standard interview are attempting to reveal how informed consumers are concerning the trademarks in use and whether the consumer favours those products and services that possess quality certificates. What are the expectations of the consumers in connection with products and services that hold the Hungarian National Park Product trademark? Do these certificated products and services mean benefits to consumers?

The trademarks of the manufacturers and service providers give information to the customer on the advantage of the product and hence the whole life-cycle of the product is seen through. Probably due to this controlled quality and reliable origin the certified products are favoured. This kind of labelling means a kind of guarantee to the customer.

Keywords: social responsibility, state, trademark, national park

1. Introduction. The role of the state in the field of social responsibility

The concept of social responsibility has almost always been associated with corporations. However, besides the profit-oriented corporations, the everyday consumers, non-profit and civil organisations, as well as the state and legislative politicians are also responsible for the natural, economic and social problems [Rekettye 2009].

There are good examples to introduce CSR strategy on behalf of the Hungarian government: the year 1993 – the law of XCIII, which ensures for the employees the safety regulations and regulates the working conditions, the year 1998 – the law of XXVI protects the rights of people with handicap and ensures the equal opportunities for them, the § 70/A of the Constitution includes the passage for exemption of discrimination and the year 2005 – the law of CLXIV includes several rules and regulations

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which are concerned with social responsibility [Kiss 2007]. The role of the state in this field is rather initiative and haphazard, however, the society expects quite a lot from the state in this field as well [Győri 2010].

The government cannot only take the legislative role in the field of social responsibility. In a developed country the state and the private sector cooperate effectively for which many examples can be found. For example, in Japan the government decided to reduce the taxes on environmentally friendly products, so in 2009 a compiled and ranked list of “eco-poin” products was published [Electronic document: <http://search.japantimes.co.jp/cgi-bin/nb20090620a1.html>, downloaded: 20.06.2009].

FIGURE 1.

Eco-label in Japan



Source: [Electronic document: http://www.mitsubishi-motors.com/corporate/environment/report/e/pdf/2008/2008e_all.pdf].

In the UK Tony Blair already appointed the minister of field within the Department of Trade and Industry. The role of the CSR Minister and the government is to support CSR projects and organisations to work out uniform policies and to assist research and development in this field [Habisch 2005].

The Finnish government is quite outstanding in this respect. The social role taking of the state has its traditions in Finland. The social collaboration is historically developed, the actors of the society cooperate together to create the budget and developing plans [Habisch 2005].

In Hungary the Ministry together with the nature-protection sector decided on introducing a new trademark from 2010 which serves social aims as well as its several benefits. This trademark, after the necessary background works and regulations, will be widespread in the country from 2012. The aim of this trademark is to assist the market appearance of products that were produced traditionally and could be linked to national parks and protected natural areas.

The governmental intervention is necessary as the cost of irresponsible corporate behaviour is greater than the cost of the corporation, whilst the benefit for the society is smaller than that of the corporation's (negative externality). Reversing it, the cost of the responsible corporate behaviour is greater than its social cost, whilst the benefit of the corporate CSR is smaller than its social benefit. So we face a market failure which must be helped by the government. Helping these market failures (e.g. monopolies, externalities, common goods) are usually helped by governmental measures [Novotny 2008 p. 14-15]. Without a solution for these market failures the economy cannot reach its Pareto optimum, i.e. the increase of the welfare of some cannot be done without the decrease of the welfare of some [Kocsis 2002].

Pigou made a suggestion in the 1920s for the legislative intervention of the state. He suggested levying tax on the producers for their polluting activities.

Contrarily, according to Coase the intervention of the state is unnecessary as the market itself reaches the social optimum if ownership rights are clear [Kerekes 1998].

However, (...) *according to the European Commission CSR starts where the governmental regulation ends* [Novotny 2008 p. 15.] Nowadays the legal framework is not forced on the corporations but the voluntary CSR is promoted.

Kun [Kun 2009] understands the corporate social responsibility as “soft law”, which is a sort of extension of the legal basis. It is such an activity that is done by corporations not according to a prescription or law but on a voluntary basis. This is a rather unusual tool for those economic actors that are used to legal regulations, however, because of globalisation new social and economic regulations are needed [Vogel 2006].

So CSR can be understood as an activity which is not laid in the law [Enderle and Tavis 1998].

It is rather difficult to determine to what extent should the state act to ensure the most effective realisation of social responsibility as well as the welfare of all citizens. According to Kocsis [Kocsis 2002] it depends on what kind of problem should be solved, what the social and economic circumstances are, often the adequate cooperation of the state and the market gives the satisfactory solution.

2. Trademark in nature protection

According to Domán [Domán 2009], the trademark is a distinctive mark which ensures legal protection. The right of the owner to use a trade name or a trademark exclusively is legally protected. Any designation can fall under trademark protection which can distinguish a service or product from other services or products.

The best-known symbol of the Hungarian nature protection is a circle emblem on which a great egret against a blue background can be seen. This logo is registered under the 181.140 number at the Hungarian Intellectual Property Office. In practice it means that this logo can only be used with a written permission issued by under-secretary responsible for the environment and nature protection at the Ministry of Rural Development. The emblem is used mostly with a non-profit aim, e.g. in publications, on the information board of the study paths, on maps and other similar aims.

The practice of the trademark that is linked to the 10 Hungarian national parks is different. The national parks have their own logos, which are also registered trademarks appearing on official documents, vehicles and uniforms, but the directories try to use these trademarks for business purposes. The trademark has its so-called product class in the listing document, which determines what types of products it can be placed on. If the trademark of the national park is placed on a product, it means significant income for the directory concerned. The corporations assign designation of origin and quality certificate functions to these logos. These types of trademark usage contracts can be considered as win-win business, as they mean benefits for the directories and for the corporations as well.

The currently introduced National Park Product trademark is such a Hungarian nature-protection trademark which is primarily linked to national parks. This is a legal tool which assists the market launch of products that were produced in a traditional way by licensed smallscale producers or small or mediumsize enterprises. These products are controlled and their quality is guaranteed and according to the trademark it can be clearly identified and distinguished from other products.

FIGURE 2.

The National Park Product Trademark



Source: [Intellectual Property Office...].

The National Park Product trademark will be a nationwide certificate. Basically, it popularizes products that can be characterized by a territory. It protects products that reflect the features of a certain region. The products that reflect the traditions of a region, genuineness, nature and ethnical authenticity, local knowledge and motifs can be granted with the trademark [Szeredi 2011].

The National Park Product trademark, as all organisational symbols, has to contain the information of the product. The trademark has to clearly show the consumers the characteristics of the product, corporation or service [Vida 1985].

The National Park Product can be considered as a unique tool, as studying trademark systems abroad, one can state that not a similar one can be found in Europe. The foreign trademarks do not cover a product or service that can be reached nationwide, but are only linked to a product or service of a region, a certain national park or a natural park. Studying the German, Austrian and Swiss trademark systems, it can be stated that there is no other country where a uniformed trademark assists the market launch of the product linked to national park or natural areas. So the Hungarian system is unique in this respect. In other countries the trademark is placed on such products that were produced in a certain national park, natural park. The place of origin and the quality is assigned and so the sale of the local producers is helped. Such a concept can be found in the trademark system of the Bavarian Forest National Park (Bayerische Wald Nationalpark), its main aim was to strengthen the local economy. The trademark is used on the locally produced mustard, glassware and several other products. [Electronic document: http://www.tissabella.de/texte/magisterarbeit_s.frank.pdf].

Around Murau (Austria) a complex trademark system was established under the name of Bioregion Murau, which consists of several different trademarks. There is a trademark for approved accommodation, another one for the products originating

from the natural park of Murau, one for gene modification free products and one for the environmentally friendly plants [Electronic document: http://www.bioregionmurau.at/produkte_zeichen.php].

In Croatia the trademark of the Plitvice National Park can be granted to registered producers. These producers can sell their labelled products (strudels according to the traditional recipe) not only along the lakes, but also in Zagreb in shopping centres (e.g.: Gordana Radaković a Korenica) [Electronic document: <http://www.tasteofcroatia.org/traditional-produce/plitvice-strudel-trademark-of-plitvice-national-park/>].

It can be clearly seen that in the neighbouring countries many different trademark systems are used the main aim of which is to carry on and preserve the traditions, to respect and assist the local producers, which serves the realisation of the aims of social responsibility.

Despite the uniqueness of the trademark before its market launch, it is important to study whether there is any reason for existence of such a label on the Hungarian market. It also should be examined whether the consumer society considers the introduction of such a trademark system as social benefit.

During the study of the field, a question arose to what extent a trademark connected to national park product / service could be considered as a CSR social manifestation. In our opinion, to answer the question a greater emphasis must be put on the functions of this trademark which is a tool of forming social awareness:

- national product;
- it possesses extra value (of which good example has already been proved on the international platform. See: Trademark of Plitvice National Park);
- strengthens environmental awareness.

3. Research and Methods

During the research a primary standard interview was made with guests of the national park visitors' centres. The standard interviews were carried out in 9 settlements of the country (Budapest several points, Jósvalő, Sarród, Felsőtárkány, Hortobágy, Pécs, Kecskemét, Szarvas and Tihany) in the first quarter of 2012. By the personal interviews 236 questionnaires were filled in, out of which 202 were considered adequate and so analysed. During sampling not the representative but the simple random sampling method was used, where the age of the population was between 18 and 70.

The data processing was carried out by the SPSS 17.0 program. Before the research and the checking of the hypotheses, the normal examination was carried out on all metric variables.

4. The research problem

The National Park Product trademark is a new and special system, it has to compete with such trademarks that cover partially similar products.

There are several trademarks on the Hungarian market: excellent Hungarian food (Kiváló Magyar élelmiszer -KMÉ), Traditions, Tastes, Regions (Hagyományok, Ízek, Régiók -HÍR), Traditonal Special Product (Hagyományos Különleges Termék HKT). They are all under protection as they popularize products of domestic stock and production. That is why the presented research examines the fact whether there is any justification of introducing such a trademark. Is there a need for products and services bearing this National Park Product?

5. Research objectives

According to the research problems, the aims and the hypothesis can be determined as in table 1.

TABLE 1.
Research objectives, the coherence of the hypotheses and the survey

Aims	Hypotheses
A1: The aim of the research is to get information on the extent of the need and preference of the consumers for the domestically produced goods that bear any kind of trademark (origin or quality).	H1: consumers prefer the domestically produced goods and those goods that bear any kind of trademark. H2: the majority of the consumers would prefer products with the trademark of the National Park Product.
A2: The aim of the research is to study the general understanding of the consumers concerning the concept of trademark. Also to reveal how informed the consumers are, in connection with the trademarks that are already used in Hungary. How well do they know the different trademarks?	H3: The majority of the consumers are familiar with the trademarks linked to domestic products.
A3: the research would like to reveal what characteristics are expected from a product with a trademark, and from goods with the National Park Products.	H4: the majority of consumers expect that the trademarked products should be quality controlled.
A4: A further aim of the research is to get to know what advantages are linked to the consumption of such products.	H5: Consumers expect beyond controlled quality social benefits from the purchase of a product with National Park Product trademark.
A5: The research also examines whether the consumers are willing to pay more for products with the National Park Product trademarks.	H6: Although the majority of consumers would be happy to see products with the National Park Product trademark, they are not willing to pay extra.

Source: own study.

6. Results. The demographic characteristics of the sample

The gender distribution of the interviewees was the following: 60% (122 persons) male, 40% (80 persons) female.

According to the place of living, the researched sample consists of: 68% (137 persons) from Budapest, while 5% from the capital of a county, 18% (36 persons) from other towns and 9% (18 persons) from villages.

Along with qualifications taking the sample into consideration the proportion of those who graduated from colleges and universities are the highest 63% (127 persons), persons with A levels represented 35% (71 persons), while having finished elementary education was 2% (4 persons).

Having looked at the demographic data it is important to note that although the surveys were carried out randomly in different national parks around the country, most of the interviewees came from the capital and their academic qualifications are higher. The reason behind this can be that intellectuals in the capital and large towns have a higher income and their demands are higher.

The other reason can be that the higher qualified persons show a greater interest in visiting domestic natural attractions and they are also willing to pay for it, and after the rush of everyday life they long for nature.

The above-mentioned reasons are only assumptions, but such a great extent of disproportion could serve as a base for further research.

7. The preference of domestic products

✓ **H1:** Consumers prefer the domestically produced goods and those goods that bear any kind of trademark.

✓ **H2:** The majority of the consumers would prefer products with the trademark of the National Park Product.

The research proved that Hungarian consumers prefer domestically produced products to import products, as 88% of the interviewees gave this answer. The significant majority of respondents (96%) would be willing to buy products with National Park Product trademark, so according to these H1 and H2 were proved.

8. The knowledge of consumers about trademarks

✓ **H3:** The majority of the consumers are familiar with the trademarks linked to domestic products.

The presented research examined the general knowledge of the consumers in connection with trademarks, however, not only trademark knowledge but the trademark

awareness was scrutinized, as trademark awareness needs a deeper and more detailed knowledge. It is not enough to recognize a given trademark, the consumer has to be able to identify and name it. Such knowledge presumes that the consumer is aware of some kind of information about the trademark, whilst the trademark knowledge means that the logo can be recognized, linked with positive associations but the consumer cannot name the trademark.

The present research studied the familiarity of 3 trademarks that are linked to food and 4 other trademarks out of which two are under international protection.

Out of the 7 trademarks 4 trademarks were appropriately linked to the product. Only 15 persons could identify all seven trademarks correctly, whilst 17 persons could not identify any of them. The majority recognized and named at least 2 trademarks (33 persons), 3 (43 persons), 4 (40 persons), 5 (26 persons) or 6 (14 persons). However, there were 14 persons who could correctly identify only one trademark. According to the result, the first hypothesis could not be reinforced as only 47% of the respondents were able to name half (4) of the trademarks, so only 95 persons possess the so-called trademark awareness. We can state that the majority of consumers do have insufficient information about the trademarks found on the domestically produced goods.

17% (34 persons) of the respondents could name all the trademarks connected to food. The majority of the sample, 58%, could only name 1 of these trademarks. Two out of three food trademarks were identified by 42% (85 persons). The trademark awareness about non-food products is even lower. The recognition of the non-food trademarks were only 33%. That means that 67 persons recognized three or four trademarks.

So far, our results show that only a few consumers reached the level of trademark awareness. That is why, it is justified to have a look at what is understood by trademark among the consumers, what their expectations are in regard with these products. Hence the research studied the concept of trademark with the help of open questions.

The definitions given by the consumers were coded and the most frequently appearing expressions were listed.

The following meanings were associated with the trademark: 'protection (market, product, legal)' (14%); 'guaranteed origin and quality' (53%); 'exclusivity and uniqueness' (1%); 'tradename and identification' (20%); 'tradition and reliability' (4%); and no answer was given by 8%.

Consumers associate trademarks with the guaranteed origin and the steady, good quality, which identifies the product and distinguishes it from other products.

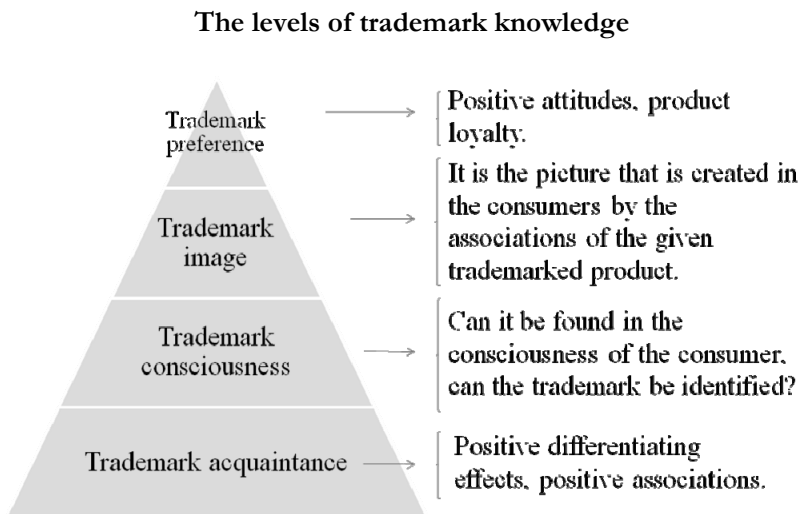
A coincidence was found with a later question of the survey where the expectations of the consumers were studied. The result of this question overlaps the result of the trademark definitions by the consumers. 78% of the respondents expect guaranteed quality and 74% expect reliability regarding the origin of the product. That is the reason why these expressions could be found in their definitions of trademark and hence H4 was verified.

✓ **H4:** The majority of consumers expect that the trademarked products should be quality controlled.

H4 revealed that the consumers possess a certain picture of the trademark, which helps to identify the trademarked product with positive associations that are linked to the product. Hence consumers not only possess trademark awareness, but also trademark image.

The aim is to create the preference of the consumers to the trademarked product – currently, it means the preference to products with the National Park Product trademark. If a consumer is loyal and his/her positive association with trademark preference is created, then when purchasing products, the trademarked products would be preferred to other products which could create consumers' loyalty in the end.

FIGURE 3.



Source: own study.

9. Consumers' expectations regarding the National Park Product trademark

To establish the trademark preference it is important to know what the expectations of the consumers are of these trademarked products.

The result, not surprisingly, shows similarity with the general expectations of any trademark. 78% (156 persons) expects controlled quality, 75% (151 persons) guaranteed place of origin, 63% (127 persons) environment friendly packing, 54% (108 persons) in connection with food expects wholefood. As another product feature was mentioned that the product could be clearly linked to a given national park (47%), products pro-

duced by traditional methods (38%), in connection with food it should be flavoured in a traditional way (33%), and it should have a unique and distinguished packing (26%).

10. Benefits linked to the National Park Product trademark products according to the consumers

✓ **H5:** Consumers expect beyond controlled quality social benefits from the purchase of a product with National Park Product trademark.

The additional benefits that could be linked to the National Park Product Trademark were divided into two groups: social and economic. The statements examining the economic benefits of the trademarks the 'means quality guarantee'(61%) and 'product marker, which clearly refers to the characteristics and origins of the product' (52%) scored the highest.

In regard to the social benefits the statements 'a tool that helps local producers to appear on the market (66%) and 'can be linked to a domestic national park' (49%) were preferred. On the whole, on the scale of the economic benefits the total was 74.28, while the social benefits reached 85.83 points. Hence based on these data hypothesis 5 (H5) was proved.

✓ **H6:** Although the majority of consumers would be happy to see products with the National Park Product trademark, they are not willing to pay extra.

Hypothesis 6 was disproved as the research revealed that the majority of the consumers 63% (128 persons) are willing to pay extra for the National Park Product trademarked products. However, this extra pay would mean 20% or more for the 30% of them and 33% of them would accept only a 10 % pay rise.

11. Conclusion

According to the result of the primary research, it can be stated that the introduction of a trademark which ensures quality and place of origin control would be welcome by the consumer society. Hence the existence of the National Park Product trademark is justified, as the label is such a CSR tool that is soothing and ensures appropriate legal protection for the buyers and contributes to the social responsibility.

The trademark itself is able to ensure social benefit to every participant of the market. These social benefits are clearly more important for citizens than the economic benefit. The social benefit in this case means that the National Park Product trademark assists the local producer to reach the market and the profit is evenly distributed among

producers and trademark distributors. For the village people it creates employment, while popularizing the domestic nature protection and national parks. The consumers will further associate social benefits with the trademark products of the National Park Product such as excellent quality, chemical and gene modification free, local product and preserving artistic traditions. So, besides many other features, the trademark results in positive external effects.

The pricing of the trademark products should be created in such a way that the price reflects the invested material and intellectual sources – i.e. it is worth producing and selling. However, it is important to take into consideration the purchasing power of the target market which tolerates, as revealed by primary research, a 10% rise in product prices.

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