

Corporate Social Responsibility as a Component of a Co-operative Member-Relationship Management: Socially Responsible Behaviour of Credit Co-operatives

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The term 'Corporate Social Responsibility' (CSR) refers to the stakeholders' demand on firms to act socially responsibly. In an exploratory research project, a stratified sample of 3,000 customers (884 member customers and 2,116 non-member customers in line with the customer structure) of an Austrian credit co-operative was questioned. 342 usable questionnaires (143 member-customers, 199 non-member customers) were returned. These data suggest that members of co-operatives are not only interested in the co-operative's services, but also in other partial benefits. So they are interested in the co-operative itself because they can identify with the values conveyed. In the course of a differentiated co-operative member-relationship management (cMRM), CSR measures, through socially responsible actions, can achieve positive image effects and can contribute to the enhancement of the membership value of certain member types.

Introduction

Even though the call for socially responsible behaviour of firms can be heard on every occasion, the question arises how managers can justify the costs of CSR measures vis-à-vis the company's owners. After all – at least at first glance – management causes financial loss to the owners with these CSR measures. This holds true also for co-operatives despite their broad shareholder base. Therefore, in the course of the audit of the co-operative management, it has to be investigated whether the measures taken – and by association also possible CSR-measures – are in line with the co-operative's purposes and objectives.

CSR measures can be justified through two lines of argument: On the one hand, they can be reasoned for on the basis of profitability arguments, if the firm benefits from its social commitment. On the other hand, the owners are certainly free to assign social goals to the firm at the expense of profit maximisation. That is, they make use of the firm for the purpose of their own personal values. Unless this recklessly threatens the corporate existence, the management is not guilty of 'grossly neglecting the creditors' interests'. In contrast to the assigned manager, they cause a financial loss to themselves.

In this paper, the following questions are discussed for credit co-operatives based on data from an empirical study: (1) Can the management of a credit co-operative justify the co-operative's social commitment with profitability arguments? (2) And/or can the management refer to an (explicit or implicit)

mandate by the members to act socially responsibly? Based on our results, a differentiated co-operative member-relationship management will be developed and the relevance of CSR measures for such a co-operative member-relationship management will be revealed.

Justification of CSR measures

CSR-measures to meet environmental demands ('rule-driven')

Firstly, it can be argued that CSR measures have to be taken in order to meet environmental demands, ensure the support of the stakeholders and not endanger the survival of the organisation. Implementing CSR measures would then be more rule-oriented than interest-oriented – and the managerial decision lies in deciding which of the range of alternative rules are evoked in a particular situation (March and Olsen, 1989:24).

This argumentation can be theoretically underpinned by referring to institutional theory, emphasising the rationalised environment on which management decisions are dependent. In this view, management decisions are not just the result of the aggregation of lower-level units, eg owner interests, but also as much the embodiment of the prescriptions of the available forms of managerial behaviours which are socially possible (DiMaggio and Powell, 1983). Organisations are exposed to institutions "which embody universalised claims" (Meyer, Boli and Thomas, 1994: 22). They "are everywhere surrounded by actors

whose private interests have public standing that may be enforced by ... public opinion, by interest groups of standing, and so on” (Meyer, 1994: 38). From this perspective, managers

are viewed as being subject to normative pressures ... to embrace forms regarded as ... legitimate for organisations of the type to which they belong (Scott, 1994:74).

Meeting these expectations imposed by external groups provides legitimacy, and stable organisations result from external legitimation (Scott and Meyer, 1994).

Society’s demand for social responsibility in firms increases. This trend should certainly be regarded as dependent on the institutional setting being behind these universalised claims, eg the economic development. Not only price and product in the strict sense influence the purchase decision; the question whether one can buy the product ‘with a clear conscience’ plays an intensified role in the purchase-decision process of particular customers. The larger this group of the so-called ‘Cultural Creatives’ (Ray and Anderson, 2000) gets, the more firms are forced to act socially responsibly. Purchase decisions are not only based on economic reasons (‘value for money’), but are also based on the potential customers’ identification with the firms’ values (‘good feeling for money’) (Assmus, 2006; Carbonaro, 2006).

CSR measures can thus be justified with the objective of profitability and the organisation’s survival. For purely economic reasons, co-operatives, just like any other company, have to act socially responsible if the firm benefits from its social commitment. This means, they have to act in this way if the corresponding effect contributes to corporate development, since market success is a prerequisite for success on the member’s side (Boettcher, 1980)

This leads to the question how members and non-member customers evaluate CSR measures taken by regional credit co-operatives. In the course of an exploratory research project, a stratified sample of 3,000 customers (884 member customers and 2,116 non-member customers in line with the customer structure) of an Austrian credit co-operative was questioned (Platzer, forthcoming). 342 usable questionnaires (143 member-customers, 199 non-member

customers) were returned. The response rate for members (approx. 16%) was significantly higher than for non-member customers (approximately 10%). Overall, about 90% of all customers consider it important or very important that the credit co-operative assumes responsibility for the region and its residents (for the assessments of individual CSR measures, see appendix). Even when considering possible effects of a ‘socially desired response behaviour’ (Diekmann, 2008), the results show very plainly that the marketing-aware customers of today see through marketing operations and the customer reactions intended. Precisely because they understand marketing they are able to block these ‘attacks’ on their purchase decision behaviour and the measures come to nothing. In the field of marketing we recognise this defensive behaviour as ‘reactance’ (Sheth and Parvatiyar, 1995). By contrast, some CSR measures – such as supporting disadvantaged groups or providing aid after natural disasters – are not classified as ‘marketing’ (see table 1). Hence, their relevance for the customers’ attitude towards the company and its products should be significantly higher. Customers regard measures of that kind as ‘authentic’, ie as activities reflecting the co-operative’s actual effort to take over responsibility for the region and its residents. These CSR measures thus constitute a credible argument in marketing not perceived as mere marketing by the customers.

In order not to jeopardise this credibility, a credit co-operative eg just communicates that it supports citizens in need by means of a special fund; however, it does not proclaim the individual supporting measure (Zach, 2009). This is due to the fact that an action is devaluated (discounting principle) if it is not regarded as a manifestation of the inner predetermination of the actor, but as a reaction to external circumstances (Lindskold, 1981). If the individual measures were communicated, one would risk that customers view the measure not as an expression of social commitment but just as an attempt to present themselves as socially committed.

Therefore, credit co-operatives wishing to employ CSR concepts have to focus on activities recognised by members and/or customers as measures which reveal the

actual social commitment of the credit co-operative. Otherwise one risks that activities designed as CSR measures are merely perceived as classic advertisements and thus remain comparatively ineffective. That is not to say that measures listed in the upper part of table 1 can be neglected. It is quite possible that these measures have already become so self-evident that they trigger common expectations as “must haves” and are therefore indispensable for the bank despite their unlikelihood to elicit exceptional enthusiasm. However, customers do not perceive them as CSR measures, but as actions in the course of general marketing.

CSR due to a mandate from the owners ('interest-driven')

Secondly, CSR measures cannot only be reasoned and justified with profitability arguments. CSR measures are also legitimised if the owners assign social objectives to the firm: Due to the prevailing importance of content goals rooted in the promotional mission of co-operatives, reaching goal congruence between business objectives and social responsibility comes naturally to them. Because of their objectives of supply and support, social responsibility is already implicitly associated with the legal structure of a co-operative. For instance, credit co-operatives maintain less profitable sites, thus guaranteeing supply, and housing co-operatives take an active part in reconstruction and heat insulation.

However, it is not necessary to deduce the co-operatives' particular obligation for socially responsible behaviour from the co-operative's purpose and the abstract promotional mission – the empirical data (Platzer, forthcoming) draw a clear picture:

- 85% of the members refer to the co-operative's social commitment as a form of members' support.
- For 55% of the members an enhanced social commitment is a persuasive reason to maintain membership.
- For 25% of the non-member customers an enhanced social commitment could be a persuasive reason to become a member.

Membership correlates positively and significantly with the following variables, with

- The positive evaluation of the co-operative's CSR measures (***)².
- The perception of CSR measures in general as a form of members' support (*).
- The perception of the fund for the support of citizens in need as an activity enhancing the personal identification with the co-operative (***)

In summary, it can be said that the members implicitly authorise the co-operative to take over social responsibility. Therefore, the members regard the acceptance of social responsibility by the co-operative as a contribution to the membership value.

Based on the preceding empirically underpinned considerations, in the following section, the components of co-operative membership are discussed. In doing so, CSR measures will be identified as a distinct component of the membership value. Then, based on our findings on different partial value benefits, corresponding member types are derived and the relevance of CSR measures in a differentiated marketing will be shown.

CSR measures as a partial benefit of membership

Membership as a combination of participating in business and in the company

The individual services and costs associated with membership are now analysed in order to identify various partial benefits of the membership value – eg the perceived benefit of the CSR measures. This systematisation is important because the members attribute different degrees of importance to the individual sources of the membership value and ideal member types can be determined based on these differences.

By offering membership, the co-operative provides a 'product' which stipulates rights and obligations, referring on the one hand to the member's role as a customer and on the other hand to their role as an organisation member. The part of membership comprising rights and obligations on the customer level is referred to as 'aspects of participating in business' (APB) and the part involving rights and obligations on the level of participation in the co-operative as an organisation member is termed 'aspects of participating in the company' (APC). In this context, Ringle (1989)

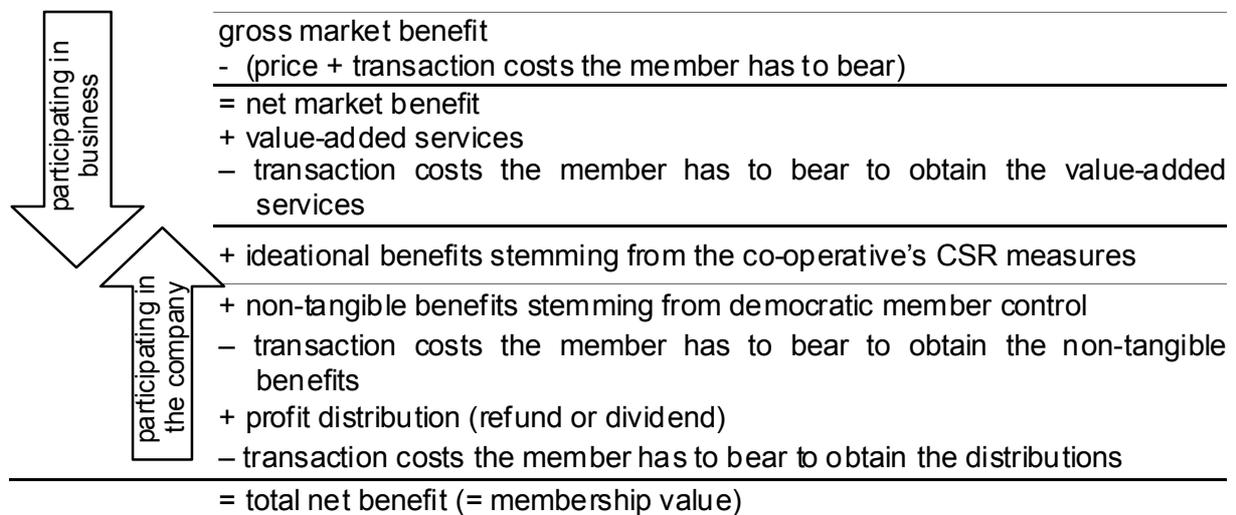


Figure 1: Sources of the membership value from the member's perspective

refers to incentives and contributions arising from the economic relation with the co-operative, which eventually are consolidated in the 'balance of customer relationship', and to incentives and contributions arising from the organisational relation with the co-operative, which eventually are consolidated in the 'balance of participation'.

According to Fischer (2009), who draws on Weidmann (1996), the different value-creating elements of membership can be displayed as in Figure 1.

Net market benefit: By using the co-operative's banking services the member consumes gross market benefits. The price consists of the member's direct reward for the use of various services (interest on loans, charges for the safety deposit box, non-consumption of the savings). Additionally, the transaction costs have to be taken into account, such as costs of information gathering, agreement costs, etc. Whereas in most credit co-operatives all customers can make use of the net market benefit, supplementary partial benefits are available exclusively for members.

Value-added services: Value-added services, such as discounts at events, can be offered exclusively to members. Alternatively, with the implementation of consumer clubs common for banks, they might also be made available for a certain group of non-members. Market benefits and

value-added services of the credit co-operative are associated with tangible (even though not always easily quantifiable) advantages for the members or the customers. Besides, members and/or non-member customers profit through ideational benefits offered by the credit co-operative. These also contribute to the enhancement of the membership value (Grosskopf, 1990).

Ideational benefits stemming from the co-operative's CSR measures: The data discussed above show that members view contributions to cultural or social institutions (eg donations to friendly societies, citizens' foundation, etc) as a component of the membership value (in this context, see also Beuthien, Hanrath and Weber, 2008). However, just like value-added services, the ideational benefits are relevant not only for members in evaluating the membership value. The data suggest that CSR measures are also conducive to customer satisfaction and thus relevant for non-member customers when they evaluate the net benefit of the business relationship. Still, the data confirm that the aspect "good feeling for money" and the customer retention through idealistic benefits is much more important for the member – after all, it is their own company which delivers social welfare benefits and not just the chosen supplier of bank services.

Non-tangible benefits stemming from democratic member control: Available exclusively for members are those partial

Expectations from membership	Component				
	1	2	3	4	5
Interest on the shares in the co-operative	.128	.017	.099	.140	.938 ⁽¹⁾ .821 ⁽²⁾ / .940 ⁽³⁾
To have a say and to co-decide	.128	.167	.134	.765 .692 / .718	.232
Opportunity to become an officer	.000	.314	.034	.760 .858 / .733	-.039
Lower account charges	-.050	.122	.747 .753 / .769	-.220	.207
More favourable interest on loans	.106	.014	.726 .699 / .733	.252	-.107
Higher interest on savings	.070	.165	.761 .654 / .798	.134	.062
Book of coupons or loyalty points	.145	.802 .723 / .828	.036	.211	-.024
Member-exclusive events	.110	.761 .760 / .786	-.031	.243	-.014
Purchasing at partner companies at discounted rates	.161	.780 .597 / .839	.117	.126	.053
Free accident insurance	.140	.743 .698 / .764	.330	-.019	.019
Support of local associations	.814 .791 / .832	.150	-.064	-.032	-.040
Support of social institutions in the region	.859 .819 / .858	.101	-.040	-.017	.119
Emergency aid	.756 .742 / .769	.151	.161	.039	.141
Support of local schools	.797 .826 / .783	.125	.144	.245	-.031
	-	-	-	-	-
	Ideational benefit from CSR measures	Benefit from value-added services	Benefit from market services	Non-tangible benefit from democratic member control	Benefit from profit distribution
Highly important for ...	14.7%	22%	82.1%	9.4%	41.6%
important for ...	32.1% of non-members	6.9% of non-members	8.3% of non-members	14.5% of non-members	35.8% of non-members
Highly important for ...	18.3%	7.3%	80.3%	6.5%	43.5%
important for ...	31.7% of members	20.9% of members	11.0% of members	13.0% of members	43.5% of members

Key: ⁽¹⁾ = all respondents, ⁽²⁾ = members, ⁽³⁾ = non-member customers

Extraction method: principal component analysis

Rotation method: Varimax with Kaiser normalisation

The rotation is converged in 5 iterations

Table 1: Rotated component matrix

	Members in comparison to non-member customers	level of significance
benefit from the market services	less important	---
benefit from value-added services	less important	Chi ² **
ideational benefit from CSR measures	more important	---
benefit from democratic member control	less important	Chi ² *
benefit from profit distribution	more important	---

Key: The Pearson's chi-square refers to the grouped factors of the factor analysis.

Table 2: Evaluation of the partial benefits by members and non-member customers

benefits arising from the democratic member control of the credit co-operative. Here, the gains in prestige and the intrinsic motivation arising from honorary functions eg in the executive board, in the board of directors and in members councils are addressed (Ringle, 2006).

Profit distribution: Profits can be retained in the company or distributed to the members. Distributed profits increase the benefit for the members in the period of distribution. Retained profits increase the membership value if the profits are used for investments increasing the future benefit for the members (Fischer, 2009; Weidmann, 1996), thus raising the co-operative's ability to offer services to its members in future periods.

This analytically generated benefit concept is now empirically examined in a confirmatory factor analysis. The reliability analysis conducted beforehand yields a Cronbach's alpha of 0.827, which is a very good value for the internal consistency. There is no item whose elimination would considerably increase the value of Cronbach's alpha, and so all items are included in the factor analysis:

The five partial benefits discussed in the literature can be verified for members as well as for non-members. With respect to the overall aim of the paper, it is shown that a co-operative's CSR measures represent a distinct partial benefit, distinct from other benefits contributing to the membership value. Thus, the management of the co-operative can build on an implicit assignment by the members to behave socially responsibly, and so CSR measures are justified by the implicit mandate given by the co-operative's owners.

The figures show that these partial benefits are not mutually exclusive. Members are not interested in just one specific partial benefit; so the overall membership benefit is derived from the partial benefits offered weighted by the subjective importance of these benefits.

Members' differentiated interests in participating in business and in the company

Given the various benefits offered by a credit co-operative, drawing on Ringle (2006) it can be concluded that the members seek different arrangements of their membership depending on their interests: for that matter, the study's findings (Platzer, forthcoming) emphasise that there are significant differences in the evaluation of the membership's diverse partial benefits:

A more detailed analysis reveals that female members place more value on the credit co-operative's social commitment to the community (Chi² ***), on measures for emergency aid (Chi² *) and on more favourable conditions for the banking services (Chi² a) than male members do. Hence, female members derive the membership value more from the co-operative's CSR measures and from the advantages of the net market benefit. By contrast, it is more important for male members to have a say and to co-decide (Chi² a) and to have the opportunity to become an officer (Chi² *). Thus, their membership value is based more on benefits stemming from democratic member control. This gender-specific analysis is simply supposed to illustrate that members evaluate the partial benefits differently. Therefore, one can define member types according to the relevance of the distinct partial benefits. Similar results

	female members in comparison to male members	level of significance
benefit from the market services	more important	---
benefit from value-added services	less important	---
ideational benefit from CSR measures	more important	t-test **
benefit from democratic member control	less important	t-test **
benefit from profit distribution	more important	---

Key: The Kolmogorov-Smirnov-Z-Test showed that the variables of interest are normally distributed, thus the t-test for uncoupled samples could be applied to compare members with non-member customers. The level of significance (t-Test) refers to the mean comparison of the components of the factor analysis.

Table 3: Evaluation of the partial benefits by female and male members

were obtained from a survey by the Institute of Co-operatives at the Philipps-University Marburg, where members and non-member customers of German credit co-operatives were questioned (Beuthien, Hanrath and Weber, 2008).

The range goes from persons who become a member solely to make use of services for which membership is a prerequisite – their interest focuses on the aspects of participating in business (APB) – to agents who are primarily interested in the aspects of participating in the company (APC). The latter members might be interested in the support of the user-members, in a future use or in a capital return as high as possible. Since this return depends on the corporate success and thus on the business transactions with the user-members, there is not necessarily a conflict between those interested in APB and those focussing on APC (Beuthien, 2007). Changes in co-operative law in Germany and Austria in 2006 now allow agents wishing to acquire a financial interest in the co-operative to be offered the position of an investing member. The relationship management with respect to members interested in APB is similar to a customer-relationship management. However, concerning investing members, the relationship management can be seen as an investor-relationship management.

The diverse interests in the various benefits offered by the co-operative result from the members' different resource endowments. The Resource Dependence Approach (Pfeffer

and Salancik, 2003) emphasises that economic agents try to overcome the dependency on critical resources through control over the sources of resources (self-production, acquisition of the resource's source) or through co-operative arrangements (Combs and Ketchen, 1999).

If the member is provided access to critical resources by the co-operative, he/she is interested in securing access to these resources and thereby in the co-operative's control. Hence, he/she does not settle for a membership reduced to the role of a customer; to have a say, to co-decide and to secure this influence through appropriate equity investments are considerable incentives for this member. Conversely, a member is content with a "customer-like" membership and would not accept the costs for controlling the source of resources if the dependency is low, because eg alternative sources are available. By contrast, members who also look for "objects for identification" in everyday life will be attracted by CSR measures (Assmus, 2006; Carbonaro, 2006). The opportunity to take over officer positions and the reputation of these roles will be important for those who seek for significance.

Resulting member types

A review of the respective literature in order to develop a membership typology consistent in itself reveals a large number of classifications of co-operatives (Bekku, 2001): Some typologies are based on peculiarities with respect to co-operative

principles (Barton, 1989), some classifications refer to the motives for the formation of a co-operative (Cook, 1995, Cook, 1997), others are based on the development process (Dijk, 1996; Duelfer, 1995) or on the business model and strategic orientation (Nilsson, 1999; Nilsson, 2001). Many of these typologies mingle co-operative features with the business model and/or market strategy. Likewise, based on a combination of strategic dimensions and characteristics of the co-operative-member relationship, Bekkum (2001) develops a typology which differentiates APB and APC. Thus, in addressing attributes like financial structure, decision-making procedures, voting rights and the range of the co-operatives' activities, the members' perspectives are implicitly comprised in the typologies. Chaddad and Cook (2004) design a classification of co-operatives by different specifications of ownership with respect to residual returns and residual rights of control. Thus, new co-operative models between the polar forms of the traditional co-operative and the investor-oriented firm are outlined. In doing so, aspects are brought up which also help to delineate diverse member types: different intensity of investor orientation (eg shown by issuing of non-voting share certificates to member-investors), of co-management and co-monitoring orientation and of usage of the co-operative. But although some of these typologies implicitly address member interests, they can just be used as a starting point in developing the new typology as they focus on classifying the organisational form and not the co-operative members. And even if characteristics of members are discussed, this does not result in a concise member typology.

As we are focusing on the appraisal of partial benefits by the co-operative's members, the following applies to developing the membership typology:

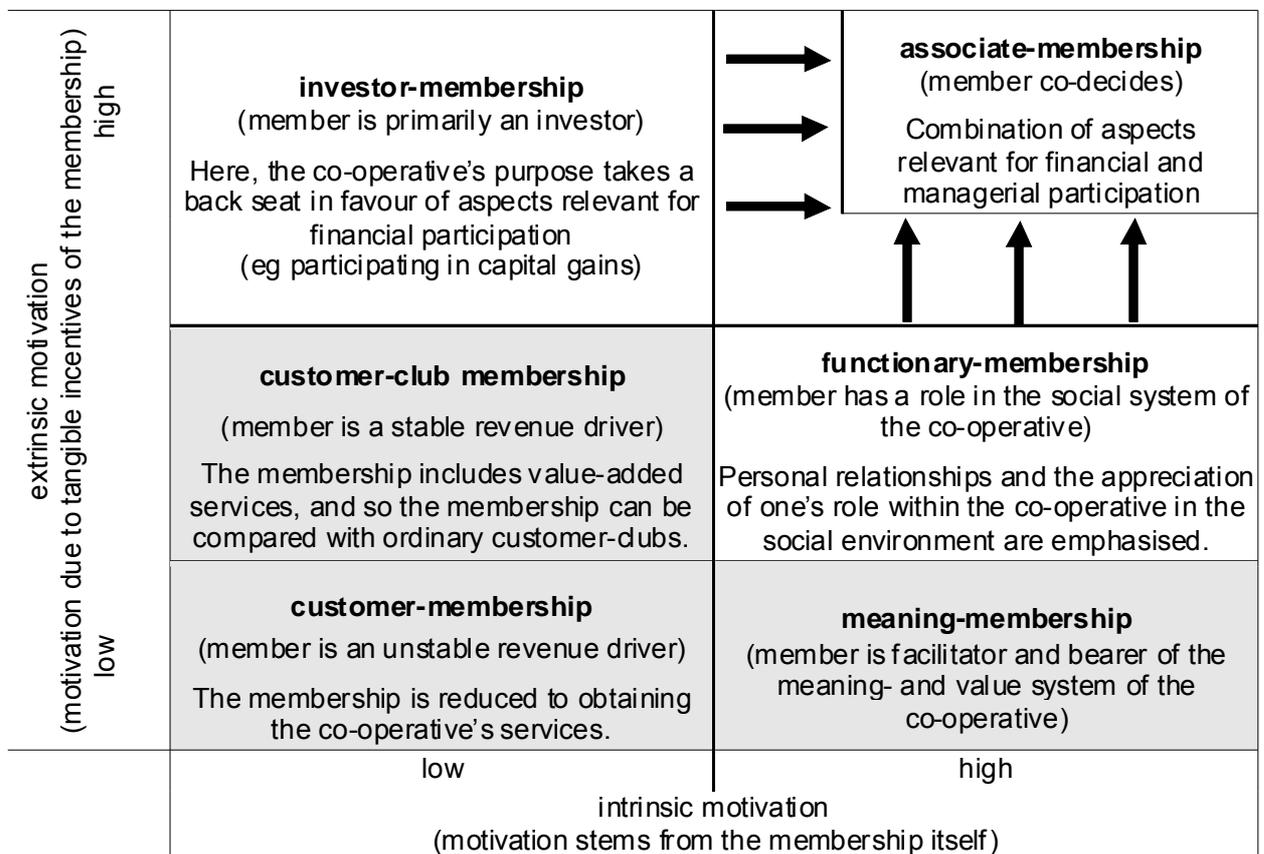
- On the one hand, we refer to the 'customer loyalty matrix' used in the field of relationship management, especially in banking (Bernet, 1998; Stuhldreier, 2002) and the 'benefit scheme' of the Nuremberg school of thoughts (commodity values, add-on-values like social acceptance or ethical benefits).
- On the other hand, we build on the principal

orientations of man as outlined by Max Weber (1972) (traditional action, value-rational action, affective action and instrumental rational action) and on the well-known models of man of Schein in their application to co-operative memberships (Schein, 1980; Vierheller, 1977): The model of the rational-economic man corresponds to the customer-, customer-club and investor-memberships, the idea of the self-actualising man corresponds to our meaning-membership, the social man refers to functionary-membership and, finally, the associate-membership shows references to Schein's complex-man model, suggesting that in different contexts, different motives become prevalent.

According to their interests, (potential) members seek different arrangements of their membership. Therefore, there are considerable differences in what they regard as a contribution to their promotion, ie as a contribution to their membership value: These range from agents who are solely interested in APB to those who are primarily interested in APC. Between members who consider themselves as customers and those seeing themselves as organisation members one can define various archetypical groups characterised as follows:

Customer-membership: In this case, membership is reduced to the co-operative's purpose. This membership hardly differs from relationships with non-member customers. Membership is extrinsically motivated. The members show no commitment for and no identification with the co-operative, often they are even not aware of their membership. The relationship with the 'customer-member' is purely market-oriented. In this case the member-management is rather a transaction management than a relationship management.

Customer-club membership: Here, membership also comprises incentives in the form of member-exclusive products, so that the co-operative members perceive the membership comparable to a customer-club. Membership is extrinsically motivated. The members show no commitment for



These benefits do not only increase the membership value, but can also contribute to the net benefit of the business relationship for non-member customers and thus to customer satisfaction.

These partial benefits are available solely for members.

The type of "investor-membership" was printed in grey, since it is not assessable what kind of importance this type will actually gain (in this regard, see Kober, 2009).

Figure 2: Membership typology

and only minor identification with the co-operative. The relationship with the 'customer-club member' resembles a relationship with a regular customer. The member-relationship management can be compared to a customer-relationship management.

Meaning-membership: emphasis is put on ethical aspects and the transparency of the managerial decisions and of the corporate governance principles. The members derive their membership value from the co-operative's socially responsible behaviour ('good feeling for money'). Membership is above all intrinsically motivated. The member-relationship management focuses on a CSR-management in accordance with the members' values and on the communication of these values.

Functionary-membership: There is a focus on personal aspects and the appreciation of one's role within the co-operative in the social milieu. The members perceive themselves as members of a community to which they are committed due to their activities through which they simultaneously establish an identity vis-à-vis the persons in their milieu. In this context, the member-relationship management focuses on the management of the personal relationships.

Investor-membership: The co-operative's purpose takes a back seat; aspects relevant for financial participation and for corporate law come to the fore (eg considerable shares in the company, participating in capital gains) (Hofinger and Zawischa 2007). The member-relationship management shows important aspects of an investor-relationship management.

Associate-membership: Here, 'functionary-membership' and 'investor-membership' are combined, and aspects relevant for financial and managerial participation as well as the identification with the co-operative come to the fore. The membership is equally extrinsically and intrinsically motivated. The members show a high commitment for and a high identification with the co-operative. Regarding the member-relationship management, both the management of personal relationships and the investor-relationship management are involved.

With respect to this matrix, it needs to be stated, that it depicts just "archetypes" with blurred boundaries. These categories are not mutually exclusive. For example, being assigned to the 'associate-membership' does not mean that one does not strive for obtaining the co-operative's services at all or does not appreciate some customer-club related advantages.

CSR in the course of a co-operative member-relationship management (cMRM)

In light of their various interests in the partial benefits offered by the co-operative, the members have to be treated differently as well. An accordingly differentiated "co-operative member-relationship management" (cMRM) offers diverse membership types. In that case, the (potential) member chooses the membership type which corresponds best to his/her interests (Roessler, 2008).

Depending on the type of membership, the cMRM pursues different goals:

- Regarding the 'customer-membership', it aims for customer acquisition and customer retention by means of an attractive and satisfactory fulfilment of the co-operative's purpose.
- With respect to the 'customer-club membership', it aims at tying the members to the co-operative as loyal customers with the help of incentives.
- Concerning the 'meaning-membership', it aspires that the members identify themselves with the co-operative's CSR

measures and that they also derive personal value out of it ("... *my credit co-operative took this CSR measure!*")

- As to the 'functionary-membership', it aims at shaping the personal relationships and the honorary functions in the co-operative, so that the members draw identification and self esteem from this task.
- With regard to the 'investor-membership', it seeks to increase the attractiveness of the co-operative as an investment object.
- With respect to the 'associate-membership', the differentiated co-operative member-relationship management attempts that the members feel bound to the co-operative as well as that they are tied to the co-operative through eg considerable shares and respective capital gains.

Table 4 shows exemplarily the different member-specific arrangements of the cMRM in credit co-operatives.

In terms of CSR measures, the "meaning-membership" is of particular importance: Here, the members derive a contribution to their membership value from the co-operative's socially responsible behaviour. By means of an authentic "myth-marketing" or "community-marketing" (Roessler 2008) the product and the company are combined with attributes of value, image and lifestyle and thus with communities, so that these products and companies define group belonging. Based on their identification with the company, the members of the community act as credible "ambassadors" of the product and corporate values. Today, consumers have much less need for new products than for clear, emotionally comprehensive points of reference. The success of the company's communication with its customers thus depends on linking its products with a persuasive story (Carbonaro, 2006). Co-operatives can tell these emotionalising "stories" authentically. To give an example, the Volksbank Weiz and the Raiffeisenbank of this region in Austria offer a "solidarity savings account": With the opening of such a savings account, both the customers and the credit co-operative contribute to the promotion of the labour market (Anonymous, 2007). The decision for a product of that kind provides the customers with a corresponding emotional value-added and consequently can be labelled

Customer-membership	<p><i>Range of services:</i></p> <ul style="list-style-type: none"> • Focus on designing the banking services • Limited to one share in the company • No or small return on the share in the company • No participation in the capital gains • Indirect co-management through a system of delegates
Customer-club membership	<p><i>Offering value-added services:</i></p> <ul style="list-style-type: none"> • Exclusive conditions for services (eg VIP-support, newsletter) • Supplementary club services (more favourable conditions for non-bank services, eg concert tickets or favoured allocation of these tickets, etc)
Meaning-membership	<p><i>Offering "emotional value-added":</i></p> <ul style="list-style-type: none"> • Focus on the value and meaning communicated by the co-operative (co-operative values, such as self-help, self-management, etc) "In modern times, those will be successful who are able to build up a world of ideas entwining around their company", Gottlieb Dutweiler cit after Wenzel 1998 • Emphasis on the socially responsible behaviour and actions by the credit co-operative <ul style="list-style-type: none"> ○ Regional commitment, eg measures to strengthen the regional economy, the regional identity, social cohesion ○ Social commitment, eg measures aiming at poverty reduction, aid in disasters and at reducing unemployment
Functionary-membership	<p><i>Offering "objects for identification":</i></p> <ul style="list-style-type: none"> • Emphasis on the identity-establishing affiliation with the co-operative <ul style="list-style-type: none"> ○ Co-operative co-management ○ Social component of the membership (significance of the membership in the milieu, communication opportunities, etc) (Ringle 2006) ○ Increasing the density of communication between the co-operative and its officers • Enforcing the members' identification with the co-operative through facilitating self realisation and personal development (Ringle 2006) <ul style="list-style-type: none"> ○ Defining the competences of the honorary offices (eg co-decision in CSR-activities) ○ Opportunities for collaboration
Investor-membership	<p><i>Offering "opportunities for participation":</i></p> <ul style="list-style-type: none"> • Arrangement of the investment (eg return on the shares in the company, saleability of the shares, participation in capital gains) • Defining the right to have a say and to co-decide
Associate-membership	<p><i>Combination of "functionary-membership", "meaning-membership" and "investor-membership" (the "associate-member" can, of course, be a customer as well, but the specific benefits of the "customer-membership" or the "customer-club membership" are not so important since they are outweighed by the other benefits)</i></p>

Table 4: The membership types and their focus

as “meaning- or value-consumption” (term drawn from Borns and Oliva 2007). These members are the facilitators and bearers of the meaning- and value-system which generates the identity of the co-operative and thus defines the framework for the co-operative’s decisions and actions (Blome-Drees and Schmale, 2006). At the same time, this meaning- and value-system serves as “objects for identification” for the members belonging to this membership type from which they draw aspects for their individual identity. Here, the unique characteristics of a cMRM become apparent: Other companies have to generate meaningful aspects through more or less “flimsy” and transparent arguments, while incurring substantial marketing expenses. But the meaningful arguments of a co-operative are rooted in its character, its corresponding behaviour and its history.

Conclusion

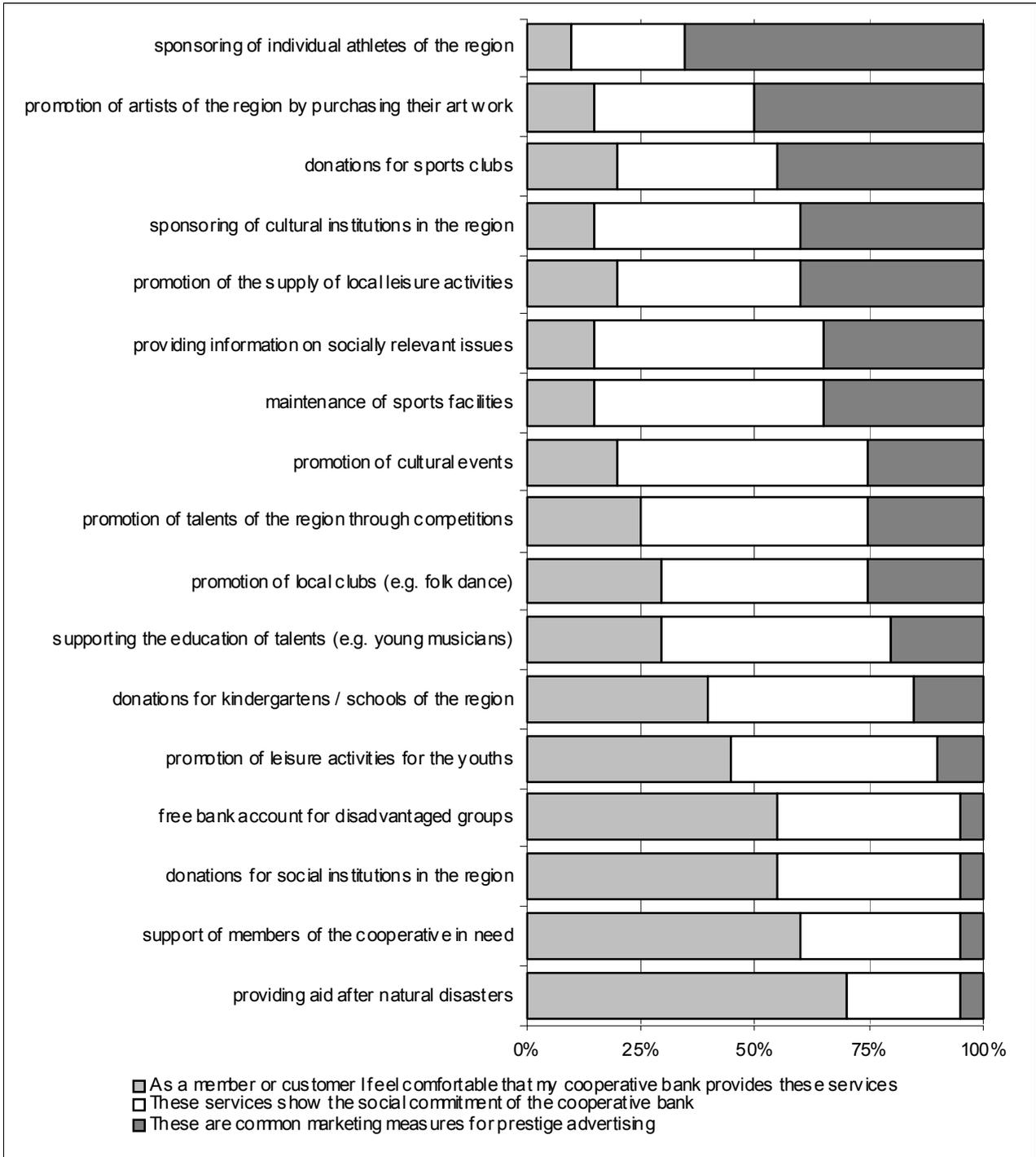
It can be seen that CSR measures are of value both to non-member customers as well as members. CSR measures of credit co-operatives can be legitimised in two ways: On the one hand, from an institutional theoretical point of view – as all other companies – credit co-operatives have to engage in CSR measures in order to gain or not to endanger their position of legitimacy. So if there are customers in the market or other relevant stakeholders who base their decision as to whether or how to pursue business relations with the credit co-operative on whether one can buy the product with a “clear conscience”, CSR measures are justified by external pressure as they will be rewarded by the market. On the other hand, they can be justified by the implicit mandate given by the co-operative’s owners. Therefore, CSR measures can be used as an instrument to promote members who derive a contribution to their membership value from the co-operative’s socially responsible behaviour.

The data show that members have different interests in the various partial benefits (market services, value-added services, emotional value-added through meaningful services, shares in profits). Therefore, they want to be treated differently and thus, the different member types have to be treated differently in the member-relationship management. One may argue that the differentiated membership

proposed in this paper could contradict the principle of non-discrimination. But this would be a misunderstanding of this principle. The boot is on the other foot as equal treatment of unequal contributions of members would not be perceived as fair. The principle of non-discrimination does not require equal treatment as such but equal treatment for equal contributions. So, for the sake of the co-operative principle of non-discrimination, members displaying different levels of activity have to be treated unequally, as Helios and Weber (2006) substantiated. For example, this can be seen by looking at patronage dividends, which have a long-standing tradition in the co-operative world: members receive these payments according to how much each member has used the co-operative’s services. Those with a higher usage of the co-operative gain higher residual returns. But for sure, the rationale for this unequal treatment has to be made explicit and understandable to all members.

Finally, it can be said that CSR measures especially take effect with respect to the “meaning-membership”: Regarding this membership type, ethical aspects, as well as the transparency of the management behaviour and of the corporate governance principles are emphasised. The members derive a contribution to their membership value from the co-operative’s socially responsible behaviour. Members who can be associated with the “meaning-membership” look for an emotional value-added in their purchase decisions. With the help of CSR measures, credit co-operatives can create this emotional value-added. Additionally, as evidence provided by our data shows, CSR measures do not only increase the membership value for this membership type, but also create value for non-members, which is relevant for the purchase decisions.

It can be questioned to what extent these conclusions are valid in other co-operative contexts. We argue that they should be valid in larger and older co-operatives. In smaller co-operatives and/or in younger co-operatives the members assign clearly defined tasks to their co-operative. So, on the one hand, in such co-operative arrangements we would not expect CSR measures to be a distinct benefit that could compensate for poorer performance with respect to the actual tasks assigned to the co-operative. On the other



Appendix: Evaluation of CSR measures

hand, in large co-operatives it is quite likely that members differ in respect to what they expect from their co-operative and how they evaluate the different performances of their co-operative. In contexts where members, due to eg their privileged situation, feel obliged to support others and are not really dependent on the economic benefits of the co-operative, we would expect not just to find different member groups but also to find members who

can be associated with the “meaning-membership” and who are interested in CSR measures. If their credit co-operative fulfils this obligation they derive a contribution to their membership value from the co-operative’s socially responsible behaviour. Further research in different settings and regions is necessary to answer the question of generalisation of our conclusions.

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