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[Review]

A Retailer's Social Responsibility for Product Scandals : Korea vs Japan

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Abstract

Purpose - This research is to examine how different Korean retailers are from Japanese ones, in terms of taking a social responsibility for product scandals. Through a comparative analysis, the authors will provide some implications for retailers in Korea.

Research design, data, and methodology - Based on the existing literature studied how retailers as well as manufacturers responded to food poisoning and product scandals, the authors compared Korea with Japan, in terms of taking a social responsibility.

Results - As soon as food safety scandals occurred in Japan, a local government quickly ordered Snow Brand to recall and stop producing problematic milk products. In addition, retailers have stopped displaying them on their store shelves to minimize the number of victims. By stopping selling them, Japanese retailers took a social responsibility for product scandals.

Conclusions - The authors found that retailers play a very important role in protecting customer rights. Moreover, customers have become more and more aware of the roles of retailers taking a social responsibility for social issues. The research proposes that a government has to develop the laws to protect customers from food poisoning and product safety issues effectively and that boycott campaigns should be legally protected by a government and promoted by customers.

Keywords: Social Responsibility, Retailer, Korea, Japan, Comparative Study.

JEL Classifications: L81, M10, M14, M31, P50.

1. Introduction

Although there are many social issues like the humidifier disinfectant linked to the death of about 100 people and food poisoning in Korea, it is very difficult to find out the cases that retailers have made an effort to sort out such a problem, in terms of improving the relationship between retailers and customers. Until recent, furthermore, Korean retailing academicians have not mentioned a retailer's social responsibility, compared with the authors in advanced countries (e.g., Abratt et al., 1999; Hahn & Kim, 2016; Elg & Hultman, 2016). Considering that retailers have to protect customer rights or promote right consumption culture, there is no doubt that they have to take a social responsibility

(Lambin, 1997). It is, therefore, necessary to look at the reasons why the retailers operating in Korea are not aware of social issues.

On the other hand, retailers in advanced countries like Japan, UK, France and Germany, quickly tend to respond to social events to maintain existing customers, that is, to prevent customers' criticism. As one of representative examples, authors can suggest the case that Japanese retailers stopped trading with Yukijirushi who is based on Japan and manufactures milk-related product categories in 2000 (Taniguchi, 2009). In the same vein, furthermore, Tesco who is one of the largest British retailers announced that it stops importing any product made in Zimbabwe, because this retailer believed that trading with Mugabe who abused political power as a dictator tended to jeopardize Zimbabwean politically (Willman, 2008).

As seen in the above cases, retailers have shown how to take a social responsibility in terms of ethical administration. In contrast, including foreign-owned retailers in Korea, it seems that retailers try to avoid their social responsibility, whenever they are faced with social issues. Including food

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poisoning, although product safety scandals happened, it is difficult to find the researches related to a retailer's corporate social responsibility.

This study is, thus, aiming at investigating how different Korean retailers are from Japanese ones, in terms of taking a social responsibility. Moreover, by comparing Korea with Japan, authors will provide some implications for retailers in Korea. The next section will introduce Japanese cases and mention how retailers responded to food poisoning, based on the previous literature, and then, illustrate the Korean case. Based on the comparison analysis, the fourth section will present research findings. Finally, authors will draw a conclusion with practical implications.

2. Food Scandals in Japan

Although food manufacturers have considerably paid their attention to the prevention of food scandals, it is very difficult to manage the production process of food products. Indeed, despite the fact that the Japanese government has made an effort to prevent product scandals, it seems like one of very difficult jobs.

What is important is that the prevention of food scandals is not the problems of food producers any more. With the increasing awareness of customer rights, Japanese society has gradually required retailers to take a social responsibility for food poisoning cases. Associated with food scandals, the role of food companies has become more and more important (e.g., Murota, 2005). Furthermore, the collaboration between manufacturers and retailers is needed to prevent such a scandal.

Interestingly, social issues like food poisoning are continuously witnessed, although companies and government have made a significant effort to provide safe foods for Japanese customers.

2.1. Profile of Yukijirushi

As one of the representative large food manufacturers producing dairy product categories like milk, yogurt, cheese and so on, Yukijirushi was leading a market in a milk industry. With respect of annual sales volume, it was worth of more than 13 billion dollars in 2000. This company was founded by 629 dairy farmers in 1925 and then, Yukijirushi was decided as its brand name in 1926 (Toba, 2007). After that, this dairy product manufacturer gradually started to develop new product categories such as butter, ice cream, cheese, and processed meat area. At the early stage, the company was a kind of cooperatives to sell the farmers' products, but its company structure was changed from a cooperative type to a limited company in 1941 (Toba, 2007).

After the Second World War, this major dairy company was listed at the Tokyo stock market in 1950 (Toba, 2007).

Furthermore, Yukijirushi considerably diversified its business fields during 1970s, in an attempt to become a large food company in Japan. Also, in order to become an international food manufacturer, this company started to globally source raw materials, based on the marketing strategy in 1970s. In addition, its business area has been expanded into other countries like France, Austria, China, and USA (Toba, 2007).

As mentioned above, before the food poisoning in 2000, its sales volume was more than 13 billion dollars. However, after 17 years, its sale revenue sharply decreased to about 6 billion dollars. It is, therefore, necessary to explore why the sales performance of Yukijirushi has been dramatically diminished, from a retailer's point of view.

With regard to food scandals, this dairy food manufacturer was negatively mentioned by many different media. In particular, its company reputation is significantly damaged by milk scandals in 2000. After explaining the summary of each case, the authors explore the process that retailers responded to Yukijirushi, in terms of taking a social responsibility.

2.2. Skim milk powder scandal in 1955

As for food manufacturers, it is a duty to provide safe foods for customers, without doubt. Nevertheless, there are many food scandals, regardless of countries. With the increased customer awareness of food safety, it should be mentioned that such a scandal is inevitably occurred, although food manufacturers have made a significant effort to prevent food poisoning events.

In the same vein, Yukijirushi was faced with the skim milk powder scandal in 1955. When it comes to this food poisoning, it is necessary to note its overview. There is, furthermore, a need to look at how this dairy company responded to mass food poisoning at that time. In addition, it should be noted that the customer awareness of food safety was not higher than expected.

The children who consumed nonfat dry milk fell in with food poisoning in 1955. The number of affected children was 1,936, after the first incident was reported in Tokyo on March 1 (Komahashi, 2012). They have reported diarrheal disease, vomiting and other food poisoning symptoms like stomachache.

2.2.1. Yukijirushi's response

With respect to this food scandal, the company's spokesman declined to admit that the symptoms of people showing signs of poisoning are related to Ykijirushi on March 2, 1955, emphasizing that the company seriously managed product quality. At the early stage of Snow Brand's (Yukijirushi) crisis event, this dairy product company strongly denied its responsibility, before the Tokyo local government announced that nonfat dry milk was contaminated with staphylococcal enterotoxin.

In the end, the top management apologized for any inconvenience caused by Yukijirushi on March 3, and then, recalled products. Moreover, after visited its clients, board members made an apology for food poisoning. In front of employees, the top management acknowledged that this crisis was caused by our management system, required all of them to hygienically produce Snow brand products and then, stressed its social responsibility for producing and delivering right products (Komahashi, 2012).

What is evident is that this company made an effort to avoid taking its responsibility for a food scandal as soon as it happened, rather than trying to work out its crisis. First of all, it is very difficult to find out the research conducted by academicians after this food scandal, in terms of corporate social responsibility. Given the lack of data related to this food poisoning, it can, thus, be expected that Japanese customers were not aware of food crisis at that time.

Even though the company's brand image was damaged, because of this poisoning incident, Yukijirushi's performance continuously grew before the second milk poisoning incident in 2000.

2.2.2. Relationships between Yukijirushi and retailers

When food scandals were provoked in the Japanese market, it is necessary to look at how retailers reacted to them. Generally speaking, a poisoning incident is regarded as one of the most important crisis in a food manufacturing sector. Needless to say, it influences whether a company can keep its presence in a market or not.

It should be, however, noted that there was not such a large retailer like Daiei who was founded in 1957 and led the Japanese retail industry, during the 1950s. Associated with the first food poisoning, the retailer's response was not witnessed, because of the absence of multiple retailers. Consequently, there is little literature studying corporate social responsibility concerned about this food poisoning incident. Furthermore, it is estimated that the Japanese retailing sector could not attract researchers' interest.

As a result, it would be easier to expect that the Japanese society was not aware of ethical management matters during that time. In other words, it is apparent that Japanese customers were not interested in food sanitation. Thanks to such a social atmosphere, this dairy product manufacturer was not affected by retailers at all. In more detail, there was no working relationship between modernized retailers and food manufacturers. Even though a few retailers with sophisticated retailing knowledge rapidly grew in a market, they might not have paid their attention to social issues.

2.3. Milk scandal in 2000

Compared with the food poisoning in 1955, the second milk scandal strongly hit a dairy food industry as well as a

retailing sector. More than expected, Yukijirushi was influenced and threatened by retailers and customers. In terms of the customer awareness of food safety, the extent of their requirement has dramatically been enhanced, as pointed by Taniguchi (2009). In a word, Japanese customers have become very sensitive to social issues like food poisoning and food safety.

Moreover, it is evident that Japanese customers require retailers to take a social responsibility for social events. Rather than becoming familiar with manufacturers, retailers should be on the customer's side to survive in the intensified market. In other words, Japanese consumers realized that they have to support the retailers who actively take a social responsibility to protect their rights. It can be, therefore, said that retail environment has significantly changed from a retailer's perspective.

In addition, this scandal has attracted many researchers' attention, in terms of analyzing the reasons of food poisoning, exploring the corporate's responses to a food crisis and examining the process of restructuring after that (Taniguchi, 2009).

2.3.1. Profile of second scandal

Although seriously experienced food poisoning in 1955, Snow Band dairy manufacturer was faced with the second mass food scandal on June 27, 2000 (Nakao, 2000). More than 14,000 people who drank old milk fell ill with food poisoning caused by the staphylococcus aureus (Nakao, 2000). It is regarded as one of the worst cases of food scandal in Japan, whilst the number of people who fell sick was reached a total of 14,780, after the first report on June 27 (Taniguchi, 2009).

As soon as a food poisoning was reported, the Osaka local government required Yukijirushi to stop making the products and recall them on June 28. Nevertheless, the company did not quickly take an action. Consequently, this food scandal was in public on June 29 and the public announcement of recall of all the products was made on June 30 (Nakao, 2000). Although news conference was for the first time held on July 1, the official response to food scandal was too late. As a result, late reactions to this crisis accelerated the spread of its disaster, in spite of the fact that the company could quickly have coped with this kind of food poisoning at the earlier stage (Taniguchi, 2009). Snow Brand dairy product company was significantly criticized for failing to recall the milk products contaminated with staphylococcal enterotoxin type A, according to Haig (2005) and Komahashi (2012).

As the Osaka city council regarded this crisis as the food poisoning caused by a toxic agent, Snow Brand stopped making the dairy products at 21 plants cross Japan on July 11 (Nakao, 2000). From July 27, Yukijirushi restarted to make dairy products at 10 factories, after got the green light from the Ministry of Health, Labour and Welfare on July 25

(Nakao, 2000). In order to make customers feel safe, Snow Brand manufacturer send the message that Yukijirushi delivers safe foods to a market on August 2 (Nakao, 2000).

Even though Yukijirushi made a significant effort to maintain existing customers, it was too late to take a social responsibility for food poisoning, as mentioned by Nakao (2000) who argued that customers continues to boycott Yukijirushi brand cross Japan. To sum up, according to Nikkei in 2001, Snow Brand ranked 117th in a Japanese brand value survey in 2001, whilst was at the 58th place before the food poisoning crisis in 2000.

2.3.2. Social responsibility of retailers

Unlike the first food crisis in 1955, retail environment was dramatically changed in Japan. In other words, many retail giants like Daiei, Itoyokato, Jusco, and so on have appeared in Japan after that. Moreover, multiple retailers have grabbed market power from suppliers or manufacturers and competed with each other to maintain and attract customers with many different marketing vehicles.

Given that a retailing sector have experienced fierce competition since the 1990s, big box retailers had to develop new market strategies to survive in the intensified Japanese retailing industry. With the increasing awareness of customer rights, consumers have required retailers to make a contribution to the protection of customer rights. In the same vein, retailers have allocated their marketing resources into the improvement of ethical management to get customer trust. As the middleman between manufacturers and customers, that is to say, retailers have been requested to take a social responsibility for food scandals.

Considering this kind of retail context, it is expected that retailers had to actively respond to food poisoning events. In terms of taking a social responsibility, thus, it is necessary to explore how retail companies reacted to food incidents.

As noted by Murota (2005), in order to send the message that retailers do not sell the products related to scandals, they are more likely to quickly stop trading with suppliers or manufacturers. As evidence, large retail firms started to remove Snow Brand products from store shelves to keep a good relationship with their customers. As soon as a food poisoning scandal occurred on June 27, top 2 retailers stopped selling Yukijirushi brand, and then the rest of large retail companies took part in such a business atmosphere (Murota, 2005). In the end, Snow Brand's sales volume sharply became worse and worse, as mentioned earlier.

In a word, retailers quickly responded to food scandals to protect customers and maintain a corporate reputation in 2000, unlike 1955, as shown in the table 1. Stopping selling a contaminated food can be interpreted in various ways. First of all, customers realize that retailers make an effort to protect them from product scandals, and further, believe that they have to support such retailers. Also, this considerably encourages retail companies to trade with ethical suppliers

or manufacturers, because they want to be recognized as the ethical retailer who takes a social responsibility by customers.

3. Product Safety Scandals in Korea

Like other advanced countries such as Japan and UK in which have already experienced a large number of product scandals, there are many food or non-food security crises in Korea. With regard to the social responsibility of retail firms, thus, it is necessary to investigate the profile of product safety scandals happened in recent. Also, the authors will examine how retailers treat the manufacturers who supplied unsafe products in Korea.

The authors focused on investigating a humidifier disinfectant scandal as one of the representative cases, because this sterilizer scandal provoked more than 5,400 victims, according to the latest research conducted by Korean Society of Environmental Health and Toxicology in 2017. It is, nevertheless, very difficult to find the cases that manufacturers or retailers have significantly made an effort to take a social responsibility for this scandal. Even though retailers have sold it as their own retailer brand product, they tried to avoid their responsibility. Moreover, large big box retailers promoted the brands involved in product scandals.

It is, thus, interesting to compare Korea with Japan, in terms of retailers' social roles.

3.1. Humidifier market

During winter and spring seasons in Korea, the closed dry atmosphere tends to encourage customers to use humidifiers and disinfectant humidifiers, in order to maintain a comfortable level of indoor humidity. Because of this kind of customer desires, a home humidifier market rapidly increased in the early 2000s.

After SK Innovation introduced for the first time humidifier disinfectants in the Korean market in 1994, there were more than 20 different product types until product safety scandal was revealed in 2011. Since 1994, its market size has steadily grown. According to the Korean Society of Environment Health and Toxicology in 2017, it is noted that this product was sold more than 600,000 units on average every year by 2015.

As one of the famous humidifier brands, Oxy who was bought by Reckitt Benckiser who is based on the UK in 2001 achieved the best performance in a humidifier disinfectant market in 2005. In other words, this manufacturer sold about 599,637 units in 2005, together with 272,276 units with the Aekyung brands supplied by SK Innovation. From 2001, Oxy sold more than about 4.5 Million units in more detail. It means that a humidifier

disinfectant sector grew bigger than expected before a product scandal.

After 2005, this market size started to decline, except for 2010 with a slight market growth rate. In the end, since 2010 when customers were aware of product safety, that is, a product safety scandal, this market dramatically plunged. In a word, a humidifier disinfectant market was over.

3.2. Profile of home humidifier disinfectant scandals

Considering the increasing number of the customers who bought disinfectants, it should be noted that the victims of deadly humidifier scandal increased to 5,430 on February in 2017, according to the Korean Society of Environment Health and Toxicology. The Lung Injury Survey Committee, furthermore, estimated that there were more than 8 Million customers who consumed similar products.

After SK Innovation launched the first humidifier with pesticide, it was hard to find the symptoms that the customers who used them struggled until 2006 (Cheon et al., 2008). According to the research conducted by Cheon et al. (2008), a severe progressive interstitial lung disease in young and infant patients started to be witnessed at the early 2006, whilst they showed a poor response result to treatment. Given that customers continued to purchase a home humidifier after 2006, it would be expected that its victims increased sustainably before 2011 when the government started to investigate this sterilizer scandal which predominantly provoked lung disease in pregnant, postpartum women and their young children (Lee et al., 2012).

After the governmental body reported that the humidifier disinfectant use was the cause of serious lung injury, the Korean government required manufacturers to stop producing a home humidifier quickly (Kim et al., 2014). In other words, all of the sterilizer products were removed from store shelves as soon as the government announced it. After that, such a scandal was not detected.

What is important is that the Korean government did not take any action to prevent this product safety scandal from the first report in 2006 to 2011. Without doubt, if the government could have ordered manufacturers to stop making disinfectants in 2006, its victims would have been minimized. Rather than protecting customers, it can be said that the government was on a manufacturer's side. As a consequence, this humidifier disinfectant scandal resulted in 1,131 deaths, according to the Korea Centres for Disease Control and Prevention in recent. When it comes to the number of victims caused by sterilizer products, it is not certain unfortunately. It means that the government did not still confirm its victims. After a decade, fortunately, the manufacturers and retailers have been prosecuted in 2016. To sum up, this is evidence that victims have not been protected by the Korean government.

First of all, it is apparent that the response of the Korean government to product crisis was too late, and then, did not

take a trustworthy action.

3.3. Retailer's response

Surprisingly, retail giants like E-Mart, Home-Plus, Daiso and Lotte Mart developed a humidifier disinfectant as their own retailer brand product, and then sold them competitively, before product safety crisis in 2010. Given that retailers do not have any department to scientifically analyze product quality, all of the processes developing retailer brands should have depended on suppliers' ability, as pointed by Cho (2001). In a word, it can be estimated that retailers were not aware of product safety issues.

Although there are many food poisoning and product scandals, large manufacturers have grown sustainably, including retailers dealt with such products. As one of the reasons why problematic manufacturers and suppliers continuously enjoyed their market growth, the authors can suggest that Korean customers did not care about the corporate social responsibility. Whenever product scandals occurred, it is difficult to find the case that customers declared a boycott against problematic companies. It means that manufacturers as well as retailers were not interested in protecting customer rights.

In the same vein, there is little literature studied how Korean retailers respond to social issues like food poisoning, although many researchers (e.g., Kim, 2003; Kim, 2016) have explored suppliers or manufacturers in terms of ethical management. Consequently, it is not easy to review how retail giants have reacted to product scandals, based on the existing literature.

In order to investigate how big box retailers took a social responsibility for product safety scandals, it should be mentioned here that the authors have to rely on a variety of media information sources. Even though retailers sold a sterilizer product as a retailer brand, it is evident that they did not make a considerable effort to protect the customers who bought it. Associated with the corporate social responsibility of retailers, retail giants are more likely to avoid apologizing for this scandal. Furthermore, they did not do anything to stop dealing with such a sterilizer, arguing that there is no evidence that a humidifier disinfectant is related to lung damage for a long time.

As one of the representative responses of retailers to product scandals, together with some internet shopping sites, Lotte Mart stopped purchasing Reckitt Benckiser brands on May 4 in 2016, after the British company apologized for selling humidifier sterilizers linked to lung injuries (Park, 2016). Although the Korean government started to examine a humidifier disinfectant scandal in 2010, retailers continued to display sterilizer products on the store shelves by 2016, despite the fact that they were able to stop selling such a product.

More surprisingly, as soon as consumer strike started in 2016, E-Mart, Home-Plus and Lotte Mart started to actively

sell the products with Reckitt Benckiser brands as part of Oxy sales promotion activities (Shin, 2016). Without doubt, it can be said that they did not make any effort to protect their own customers from harmful products, although they do not sell all of the products delivered by Reckitt Benckiser at present. Furthermore, they significantly tried to avoid their responsibility. In terms of taking a responsibility for product scandals, it should be mentioned that victims and customers have been deceived by retailers for a long time, even though some retailers apologized for product safety scandals later.

Based on the above information, there is no doubt that there is nothing retailers did to protect victims and their family, before a government ordered manufacturers and retailers to stop dealing with a humidifier disinfectant. With respect to the protection of customer rights, the authors found that retailers showed irresponsible attitudes towards a deadly disinfectant scandal.

4. Comparative Analysis

Although there were similar product scandals, the researchers found that customers, governments, manufacturers and retailers have shown different activities, that is, different responses to them. It is, thus, necessary to look at how Korea is different from Japan, from a retailer's point of view in particular. Without doubt, customers have been aware of product safety issues, regardless of nations. Accordingly, the authors do not compare Korean customers' responses with Japanese customers' ones.

4.1. Government reactions

As seen in the Japanese case, it is obvious that Japanese government has quickly shown its responsible behaviors for a food crisis. As soon as Snow Brand provoked mass food poisoning on June 27, 2000, the local government which is the Osaka City Government ordered Yukijirushi to stop producing the products, and then, recall them on the following day, that is, on June 28. What is important is that the local government made an official announcement of food scandals for customers to minimize its victims (Nakao, 2000). Rather than being on the manufacturer's side, the government made a significant effort to protect customers, as noted earlier. Compared with the food poisoning occurred in 1955, it is apparent that Japan relatively showed fast responses. Regardless of the examination results of a governmental body, Japan quickly ordered Yukijirushi to recall them.

Nevertheless, Japanese researchers and reporters strongly criticized the government, because its late reactions resulted in the spread of the disaster (e.g., Nakao, 2000; Huzihara, 2002; Taniguchi, 2009). In addition, Huzihara (2002) pointed

that the Japanese government has to pay its attention to food quality management.

More surprisingly, although relatively and quickly responded to a food poisoning scandal, the Japanese government did not require retailers to do anything to protect customers.

In contrast with the reactions of the Japanese government to product scandals, it would be difficult to expect that the Korean government made a considerable effort to minimize the victims of product safety scandals, based on the previous Korean case analysis. In spite of the first report in 2006, the government allowed manufacturers to keep selling a problematic home humidifier product until 2016, including retailers. In a word, the government was not interested in solving this serious product scandal, that is, was completely on a manufacturer's as well as a retailer's side. Moreover, the Korean government did not try to believe the first report. In the end, its examination schedule was considerably delayed by 2011, whilst deadly disinfectant scandal rocked Korea. Associated with this disaster, nobody officially apologized until 2016, despite the fact that the government could have dramatically minimized the number of victims, if quickly responded to a product safety crisis in 2006. Similarly, there was no evidence that the government requested retailers to stop selling such a product.

Also, it is difficult to find the case that the government actively supported the victims who have sued 22 humidifier manufacturers.

In terms of a government's role to protect customer rights, it can be said that Korea did nothing before the fair trading office announced in 2018 that the government will reinvestigate this product scandal, compared with the Japanese government in 2000.

It is, thus, necessary to rethink a government's role, concerned about the protection of customer rights. As pointed by Cho (2011), moreover, the authors suggest that the Korean government has to develop the law to protect the customers who buy retailer brands. Needless to say, when customers buy retailer brand products, they are more likely to trust the brand values of retailers, rather than those of manufacturers (Cho, 2011).

4.2. Manufacturers' responsibility

With respect to the reasons why Snow Brand is still struggling in market, there are so many analyses conducted by Japanese researchers (e.g., Nakao, 2000; Yanagawa and Oki, 2004; Murota, 2005; Taniguchi, 2009). On the other hand, Korean researchers have not paid their attention to the case analysis of the unethical companies who provoked food poisoning or supplied unsafe products in market, although there are a huge number of studies highlighted that a corporate social responsibility is one of the most important factor to succeed in market.

Since food poisoning occurred in 2000, the sales

performance of Snow Brand has not been improved, although Yukijirushi has innovatively restructured the production process, and then, promised to take a social responsibility (Hiwasa, 2011). In order to recover its social reputation as well as customer relationship, in fact, the company has continuously invested a lot of marketing resources. In spite of considerable efforts, however, it seems impossible to regain its brand value, as seen in its 2017's sales report. This result can imply that the Japanese customers have significantly boycotted Yukijirushi brand products.

It is, therefore, evident that the fact that the CEO irresponsibly held a news conference in front of media has strongly and negatively influenced Japanese customer attitudes towards Snow Brand. In other words, it should be noted that the image that Snow Brand tried to avoid taking a social responsibility for food poisoning has sustainedly resulted in poor sales performance.

By contrast, after product scandals occurred, it is hard to find the efforts of manufacturers to make a contribution to the protection of customer rights in Korea. After a humidifier disinfectant was reported in 2006, the first official apology was done under the government's investigation in 2016 (Park, 2016). This kind of response can be translated into the avoidance of responsibility for sterilizer scandal. Until a recent time, manufacturers are likely to avoid compensating victims and their families for product safety scandals (Kato, 2016).

In a word, it is difficult to search for the case that manufacturers attempted to comfort them, in terms of taking a social responsibility. Rather than consoling victims and their families, companies focused on improving sales revenues, whilst Korean customers were not aware of product safety and did not declare a boycott against manufacturers. As a consequence, it should be mentioned that the reactions of Korean customers to product scandals did not make suppliers responsible for social issues.

In terms of customer attitudes towards product crisis, Japanese customers are very different from Korean ones, and further, force manufacturers to show responsible business activities in market. Although the victims and their families significantly protested against sterilizer manufacturers in Korea, their business activities were not affected, because large retailers support them. It seems that they neglected the arguments of their victims.

4.3. Retailer's responsibility

Unlike Korean retailers, Japanese retailers relatively and quickly responded to food poisoning to minimize the number of victims, as pointed by Murota (2005). Rather than the Japanese government, it has become apparent that big box retailers like Daiei, Jusco, Seiyu, Seven-Eleven, Ityokato, Lawson, and the forth made a considerable effort to protect customers by stopping conducting a deal with Snow Brand.

According to Nikkei newspaper on July 12, 2000, the department store who is Mitsukoshi started to stop selling Snow Brand products for the first time in Japan. As noted by Toba (2007), retailers removed the products with Snow Brand from their store shelves to send the message that they did not trade with the companies who were not trustworthy to their customers. By finishing trading with Yukijirushi, retailers want to be recognized as an ethical corporate by Japanese customers (Murota, 2005). Based on this kind of retail market trend, most of retailers took part in stopping selling the same brand products. Compared with the first food poisoning in 1955, it is remarkable that retailers actively responded to product scandals.

In terms of taking a social responsibility for product scandals, it can be said that Japanese retailers have shown an excellent case. In other words, Japanese retailers have already known that customers are much more important than suppliers to survive in the Japanese market.

On the other hand, such a case has not been witnessed in the Korean market, before May in 2016. It is, thus, meaningless to say how much responsible retailers are for product crisis. Given that retailers have tried to avoid their responsibility for the sterilizer product developed as a retailer brand (Kato, 2016), it is hard to say that retailers are trustworthy from a customer's perspective. As seen in the previous case, retailers are more familiar with manufacturers than their customers.

After May in 2016 when Reckitt Benckiser apologized for deadly disinfectant scandal linked to lung injuries, together with some on-line retailers, Lotte Mart declared that the company did not order the products with Reckitt Benckiser brands any more (Park, 2016). This case is firstly regarded as one of the examples that retailers took a responsibility for such a scandal in Korea. With the increased customer awareness of product safety, this trend has been spread out all over the country, according to the authors' market research on April in 2018. There are, nevertheless, many scandals that suppliers are concerned about buying power abuse, unethical business activities and consumer deception in recent, but it is difficult to find the examples that retailers try to take a responsibility for those issues.

5. Conclusions

Through a comparative analysis, the authors found that retailers play a very important role in protecting customer rights. Even though a government missed the time to control manufacturers as well as retailers to minimize the number of victims, it is evident that retailers can quickly protect customers from product scandals in practice. In other words, retailers are able to quickly take an action, rather than a government. In order to protect customers from product safety issues, it has become apparent through this research

that retailers' social responsibility has become more and more important. Moreover, customers have become more and more aware of the roles of retailers taking a social responsibility for social issues. Without showing that retailers are responsible for social events, it would be hard to build customer relationship from a retailer's point of view.

What is important is that a government has to develop the laws to effectively protect customers from food poisoning and product safety issues. As seen in the above cases, manufacturers and retailers tried to avoid taking their social responsibilities. Accordingly, it is necessary to introduce sophisticated restrictions to protect customer rights from a customer's perspective.

In addition, the boycott campaigns occurred by product scandals should be legally protected and promoted by a government. Without doubt, this kind of legal system can stimulate retailers as well as manufacturers to take a social responsibility. Compared to Japanese customers, as demonstrated by Yukijirushi case, it should be noted that Korean customers are less interested in boycott against unethical companies. This atmosphere might be worked as one of barriers to make retailers responsible for product crises. There is, thus, a need for a government to support customer organizations, in order to boost a boycott campaign.

Therefore, the future research should focus on developing the way how a government is able to encourage retailers to be responsible for product scandals, and further, support the boycott campaigns by customers. In addition, it should be interesting to look at how Korean customers react to the retailers who trade with unethical suppliers.

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