Community Orientation of Long-living Businesses and Social Capital:
Based on surveys of companies in Toyama

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Since 2003, the concept of CSR has spread rapidly in Japan, and CSR management has been promoted primarily by large companies. However, there has been little penetration among small and medium-sized companies which account for 99.7% of all companies. In pursuit of the secrets of sustainable management, based on survey results conducted by the present writer in 2012, of long-living businesses, although "community orientation" was observed as one of the characteristics of long-living businesses, their relationship with market areas was seen as a challenge for the future.

So, this time, in order to clarify the relationship between community orientation and market areas, a survey interview was conducted with 5 small and medium-sized long-living companies within Toyama prefecture regarding the realities of local activities. Companies in Toyama prefecture were considered as subjects for the survey as it ranks high, at 8th nationwide in the ratio of the long-living businesses, and due to the harsh natural environment and a narrow commercial zone, there is a tendency to seek a market outside the prefecture. As a result of this survey, it was found that eyes are turned towards the "community" regardless of the size of the market area.

As the community based bond becomes weaker, there is need for companies to expand "bonding social capital" and "bridging social capital". This is because, corporate reputation is built through a larger base of stakeholders comprised within the region, leading to a sustainable competitive advantage.