Corporate Social Responsibility: Good for Society, Good for Branding, Good for Marketing

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Abstract

Society has always been an integral part of business environment. Any entity or corporate house carries out business with the help of societal elements only. The revenue generation and the various transactions are done within the society only. Thus it becomes the onus for the corporates or business houses to take care of the society in which they operate. It becomes their responsibility too apart from the government to do a bit for their society and helps the various elements in the tough times or to combat with evil practices. All this gives rise to the concept of corporate Social Responsibility, where corporates are being presented with the responsibility of taking care of the society with utmost care and yet selling their brands and products for making money. The concept is not new and is present in most of the business environment in one form or the other. But today in modern era, that too in emerging markets like India, it has gained importance and became a differentiator for many business houses.

Corporate social responsibility has come up with good results for the corporate houses in terms of the brand image and perception of their business practices within the society. But off lately the companies have started to use this concept in the marketing of their products as well. Gone are those days when people use to do well for society and hide it from others in order to get into limelight. Instead reverse concept is happening these days with portray of good deeds within the society in a very positive and aggressive way. The consumers are getting to know about the various initiatives taken by these corporates through the campaigns that companies run on television and other media.

The purpose of this study is to gain insights through literature review about corporate social responsibility in affecting the brand value and to measure the effectiveness of the marketing strategies using such concept by the various companies. The study will use the secondary and primary data to analyze the effectiveness of Corporate Social Responsibility concept and will be helpful in finding the whether it’s an effective marketing tool for the companies or not.

Keywords:
Corporate Social Responsibility, Social Marketing, Social Branding, Social Issues

Introduction

Two terms – Social and Responsibility makes up the term Social Responsibility. The word Social corresponds to the society of human beings in which they live and spend their time. It usually comprises of the interactive environment with respect to various conditions like economical, technical, legal, social, technological, and political. Humans grow, sustain and survive within a society over a period of time. They also interact with each other for some purpose or the other within a society. Similarly the word Responsibility refers to the commitment towards a particular task or job with a specific purpose of completing it. Responsibility can be towards anything and can be taken at any level depending on the environment conditions. Usually responsibility is considered with positive intent and to behave in a non-negative manner. The combination of the words Social Responsibility can be regarded as commitment towards the society for a specific purpose of one’s commitment to fulfill the gaps existing in the society and for its betterment in positive manner. It is not just an onus on the individual but also on part of groups in the form of independent human groups, business entities and technical groups to bear the social responsibility and become sensible part of the society.
As per a study (IISD, 2004), Social Responsibility has been considered as a phenomenon which comprises of responsibilities of the organizations and group in a neutral manner to works towards various societal issues that are devised to keep people of that society on a progressive path and hence developing the society as a whole. There have been different perspectives being presented in the study by IISD.

![Diagram](image)

**Figure 1 Various perspectives for Social Responsibility**

As seen from Figure 1, the various perspectives are:

- From Business point of view, Social Responsibility is about building reputation so as to cover the market share on maximum basis.
- From Eco-Social point of view, one needs to understand the importance of the social and environmental stability for long term goals and better survival period.
- From Right-based point of view, one needs to be accountable for the actions performed within the society without harming the resources. One should maintain transparency of the process carried out for the survival and growth within the society.

The study also talks about the various types of major outstanding issues with respect to Social Responsibility. They are:

- Whether Social Responsibility should be considered just as a philosophical part or a mainstream portion of groups and individuals. People will need to understand whether they want to get driven by this or want to drive it themselves.
- Taking up the concept of Social Responsibility as an order or as self-interest activity through volunteer-ship. This will change the whole attitude towards the implementation of Social Responsibility as a part of the societal growth. Voluntary actions will more self-driven ideology but may fade down soon, while regulatory act will keep interest out of individual’s mind but may prove useful in longer run in paying back to the society.
- Becoming responsible towards all the aspects of the society i.e. political, economic, social, technological, legal and environmental in a similar manner by maintaining the balance for acts towards society. Integrating the benefits for all the components is a challenge and one needs to focus on overall benefit rather than sectional or component-based growth.
- Developing and maintaining standards related to the Social Responsibility will be a big task for the society, state, nation, continents and whole world. There is no one common thing which can be generalized for all the society in which people live and that is why localization effect in the global world will be an important ignition for the organizations and individuals working and living in a particular society.
There are many aspects related to Social Responsibility as a concept with which associations can be at Individual level, group level or organization level. And this forms the core foundation of this study which revolves about Social Responsibility at organization level and how these organizations use it to market themselves in an effective manner. Objectives and Methodology is discussed in next section. The section after that, talks about literature studies existing in the Corporate Social Responsibility (CSR) field and how they are impacting corporates. It is followed by the primary study conducted on the various corporates and their CSR initiatives in marketing themselves.

Objective and Methodology

The study is inclined towards the concept evaluation of CSR towards marketing and branding of the corporates. The objectives of the study:

1. Evaluate various studies related to CSR in recent years and their importance towards organization’s value
2. Assess the effective role of CSR in marketing and branding of the various companies in Indian Region

The methodology is exploratory and no conclusive hypothesis is tested in the study. The study explores the various papers published in the past to study the relationship between CSR and its positive or negative impact on the company’s image. Then the various companies using the CSR practices as a part of their marketing campaigns are studied and their effectiveness is checked with 100 users from metro cities to analyze the effectiveness of such campaigns. Data collection has been both secondary and primary. Secondary sources are Journal articles, Web articles, Research papers, Company reports and blogs. Primary data source includes a 5-point likert scale type survey filled through online mode. Basic analysis is carried out on the data collected.

Studies related to CSR in recent years

There have been various studies conducted over CSR as a concept in past few years. It is not a new concept which emerged instantly but rather a practice going on for long time in all parts of the world. This section describes few of the studies related to CSR for the past few years.

Cacioppe et.al.(2008), mentions about the CSR’s historical developments and various manager’s perspectives towards it. As per the study, CSR has been an active part of organizations since 18th century. Since the beginning of Industrial Capitalism, the role of ethics and social responsibilities has been talked about. The study made a point that for economical sustainability and profit making capability is not the only benefit out of CSR led organizations but also helps in quality improvement of the organization’s life. There were four major implications of the study for the organization following CSR:

(i) Better is a company’s CSR operability, better is the performance of the company with respect to its financial growth
(ii) With companies taking care of various elements of society in a better way, the chances for getting capital access gets much brighter
(iii) The branding of an organization gets a major boost with proper implementation of CSR policy
(iv) Healthier work environment, satisfied workers and excited clients can become the pillars of successful organization once CSR is adopted on regular basis.

Riordan & Fairbrass (2008), proposed an analytical model for the firms for the evaluation of their CSR initiatives. The study gives evidences of CSR being present for a long time within the various industries and looks at pharmaceutical industry in particular. The paper identified two major reasons why firms have to take up CSR responsibility:

• Firstly, there is a notion of negative image on part of organizations towards the society. They are thought of working as only profit making entities at the cost of damage to the societies and other entities.
Secondly, the role of an organization has not been defined in their contributions towards the society. This unclear scenario has led to confusions within an organization strategic development towards societal responsibilities.

Ablander (2011), presents the concept of CSR not as a core business part but a subsidiary portion which is not obligatory. The study defines two sides of CSR – technical and political. While the first one aims an organization to adhere to the ethical and acceptable standards and behavior in the society, the second one aims at activities which are not within the firm’s economic domain. The study tries to introduce a third side into the picture which is the subsidiary part where firms are supposed to act as intermediate connections within the society taking the co-responsibility of various social acts within the society. It also says that the third side will not be a voluntary act for the organization. The third perspective is seen as a long-term commitment by the organization in taking part in various social acts. From management point of view, CSR helps an organization to have a more refined process and show more ethical behavior in the competitive environment.

Li et.al. (2011), analyzes the concept of CSR in emerging market conditions. According to the paper, CSR has been defined as an obligatory activity on the firm’s part for achieving sustainability as well as making profit for all the stakeholders associated with the firm through ethical behavior. The study also compared that CSR is not followed at that level in developing countries as it is followed in developed economies. The main reason cited has been less adoption of CSR due to the slow economic development in emerging countries.

The key findings of the study showed positive relation between the brand image and retention of firm’s name with respect to Corporate Social Responsibility. Also the communications were managed at different level viz., country level, industry level and corporate level through which any CSR oriented organization can plan its communication more effectively and efficiently.

Kanji & Chopra (2010), defines and depicts CSR in a global economy. The study is not a particular area based but rather explores the concept of CSR as a whole. Various beneficiaries are cited like the society, management committee, stakeholders, costumers, the workforce and the organization itself by adopting the CSR concept. The concept presents an equation through which one may evaluate the extent to which any CSR policy may be followed by the organization. A cyclical matrix about CSR is also defined by the authors, which suggests the contribution of organization with CSR towards community, workplace, marketplace and the natural environment.

Cheung et.al. (2010), presents an analysis for Corporate Social Responsibility in the Emerging Markets of Asia. Since there are two very large growing economies present in the Asia – India and China, it becomes imperative to study the status the CSR initiatives in this region. This issues becomes more important in the developing region is due to the fact that lot of investors are now interested in investing their capital with the firms having good CSR policies. And being an emerging region, lot of investors are eying on investing here. The study points towards a circular notion of social responsibility and financial gains. Lot of firms are not financially strong enough to participate in CSR policy formation and implementation while the study suggests that investing in CSR will improve the brand image of the organization and thus will strengthen the financial part of the firm. The study even reveals a positive relationship between the CSR and financial value of the firm for a specific period in particular markets. Better is the CSR initiative, better will be the firm’s financial reputation in the market.

Lai et.al. (2010), studies and identifies the relationship between a firm’s CSR initiative and the effect on its industrial brand equity, brand image and brand performance. The study lays down a basic premise that an organization’s perception improves within various stakeholders like customers and suppliers, if they follow CSR policy effectively. All this makes a good brand image of the organization and thus improves its brand performance in the market.

According to the results, positive values have been recorded for the CSR activities against various parameters related to brand – equity, performance and image. There are several managerial implications being suggested through this study which says:

- Firms should engage in CSR activities full-fledged with proper communication to their buyers and suppliers so that awareness of this initiative makes a positive impact on them.
Not only does a CSR initiative helps in enhancing the firm’s reputation but also helps in enhancing the repo of the associated buyers and suppliers. This improves the branding of the Industry as a whole.

The managers should also get involved into improving the CSR process all the time so that strong branding can be taken care off for the firm.

All these premises underline a basic assumption that the CSR is not just a branding activity but rather an ethical behavior practice in the surroundings. Brand image and other things are just few benefits which a firm may derive out of this initiative.

Boeche & Cruz (2010), brings out a study on the effect of CSR activity on the product differentiation strategy. The study market has been an emerging one with special focus on the Export products. There are various hypotheses being tested in the study. They major one is as follows:

- Positive relation between CSR activity on product differentiation and improvement in export performance

The result has been found positive and managers have been advised to follow a CSR policy for their company’s. The study also advises to target small developed countries for higher priced products due to CSR initiative as the people here will react more responsibly towards society issues and will be ready to shell out extra currency for the products. Moreover, everywhere similar strategy cannot work on product differentiation with respect to CSR. Hence different plan needs to be formulated for different regions.

Taneja et.al. (2011), traces the historical developments for CSR and explains how the focus and paradigms have shifted in all these years. Taking back around a century’s time, study tells that CSR was more of an onus on the managers as the society allowed them to carry out the business activity within the society domain. So it was the manager’s duty to do something for the society rather than only considering profit making activities. Bowen has been considered as the Father of CSR for the modern period of time (Carroll, 1999, p. 270). The study collects and analyzes various literature review articles available in the field of Corporate Social Responsibility and ethics to find out the core focus area for the CSR researchers.

The important finding of the study suggests that lack of common definition of CSR in the literature is the major issue while studying about it and evolving on the various concepts related to it. Different authors, different organizations, different individuals and different studies have defined CSR concept in their own different way. That’s why one firm’s perspective about CSR may be different from other one. And more importantly, they both might work towards same goal of achieving betterment of the society but applying an altogether opposite processes for that. So lack of proper definitions and structured framework are the key weaknesses in CSR literature available which has created problems for organizations to form strategies on account of their firm’s CSR.

Young & Thyil (2013) identified relationship between Corporate Governance and Corporate Social Responsibility. There were 3 major objectives undertaken for the study:

- Identify the various governance systems, review the existing literature on them and then comment on their convergence or divergence with respect to their policies and their business surroundings.
- To analyze the different corporate governance definitions from various stakeholders, and
- Finding out the relationship between CSR initiative and corporate governance and comment on it.

The major findings of the study suggest that the relation between CSR and Corporate Governance relies on various environmental factors like culture, ethics, values and other scenarios. There cannot be fixed relation between the two theoretically.

Nambiar & Chitty (2013), evaluates the various theories related to environment protection and sustainability with respect to the viewpoints by various managers of different business organization. How managers looks for the sustenance and take corporate social responsibility as a tool to derive maximum benefit to make their organizations survive well in the adverse conditions is the core part of the study. With respect to the findings, the study suggests that the corporates in India are still not very much aware of the surroundings and environment conditions. Thus CSR strategies are mere tools to
increase branding of the company rather than actual workings towards the social benefits. In Indian conditions, still lot of things needs to go in scientific way to make sure that CSR initiatives are actually taken to improve society conditions and not just for branding.

Thus the various theories and studies depict the changing paradigms and new perspectives about the CSR and related activities. This will be useful in analyzing the case studies in current organizations.

**CSR as marketing concept in Indian Context**

The Social Responsibility by the corporates has come in the form of protecting the society as well as the planet. Gupta and Pal (2013) suggested that social responsibility based marketing will be key in branding but will not affect the purchasing of a particular product. So the various companies studied for CSR based marketing are shown in Figure 2.

**Figure 2 Companies studied for their Marketing Strategies**

The CSR followed by the various companies in India are depicted in the marketing strategies as well. The 5 company’s advertisements were studied where each of them talked about a different issue of the society and how corporate can get involved to solve them in Indian Conditions.

Idea Company portrayed various social issues majorly from rural India in their ads. Be it education for all, language barrier or environment protection, Idea ads showed solutions to the problems existing in the society and simultaneously marketing their products at pan India region.

Tata Tea is a beverage company which got its ads running during the election time in India which prominently asks the voters to go out and vote for the government. This advertisement indirectly wants to take action against the unethical formation of the government and wants to promote democracy in a big way so that healthy environment can be created in the nation.
Satyamev Jayate is a popular TV show by famous Aamir Khan which discussed about the various issues prevailing in the Indian society and suggested ways to combat with them through various expert advices. The show was a huge success and gave sponsors and investors to ride upon the CSR’s success by promoting such type of issues. This made it even bigger fact that people are ready to give TRPs to the sensitive issues of the society on national television.

Nokia is a Finnish company but had a strong presence in the Indian market for many years. The phone manufacturing company saw huge production and consumption of mobiles in India leading to generation of lot of e-waste. Thus Nokia launched its campaign – “Planet ke rakhwale” which was to make people aware about e-waste and giving them a solution of phone recycling through Brand Nokia. It became a very popular campaign and differentiated Nokia from other players in the market.

Coca Cola India launched an education initiative for the children in Indian society and with its very energetic and motivating jingle launched this campaign. The Coke ad received great response from the Indian crowds and it re-created the brand Coke with a touch of social responsibility in India.

The survey conducted on the effectiveness of these campaigns portrayed the following results as shown in figure 3 which shows the result of majority responses. The responses were evaluated on scale of 1 to 5 with 1 representing very ineffective and 5 representing very effective. The effectiveness was checked on parameters like how well the marketing is done around the social issue, whether the ad is relevant or not, whether people are able to remember these ads, and the likes.

![Figure 3 Majority respondent’s opinion in the result of the survey](image)

**Conclusion**

It can be concluded from the study that the Corporate Social Responsibility is a good concept for the society but it has proved to be better for the organizations as well. Very few instances of negative cases were reported in the study about CSR and its effectiveness but otherwise it has been doing well in majority of the aspects. The literature review shows that CSR is positively linked to the brand image and reputation of the firm. The primary study shows that various companies had an effective marketing campaign built around the concept of CSR. At least such campaigns do not lead to negative image of the company.

Thus the marketing strategies in India can be developed using the socially responsible issues which companies are working upon as a part of their CSR activities. The results suggest that such marketing activities will be more successful and will affect the corporate image in a better way.
References