CORPORATE SOCIAL RESPONSIBILITY AND MARKETING COMMUNICATION

Hortensia GORSKI ¹, Mircea FUCIU ², Luigi DUMITRESCU ³

¹, ² "Romanian-German" University, Sibiu, Romania
³ Lucian Blaga University of Sibiu, Romania

Abstract:

The purpose of this research study is to investigate different issues regarding CSR and marketing communication: use of CSR as a marketing tool; CSR activities and customer loyalty; fairness of product price ratio; undergoing awareness campaigns regarding social and environmental issues; promotion of ethical values and CSR principle in marketing communication, and so on. Unfortunately, results have shown that in the surveyed organizations CSR communication is not understood well enough and used. We provide some recommendations, based on the research results. The findings could provide valuable insights to managers in order to improve their implication and actions in this domain.

Keywords: corporate social responsibility, consumer behaviour, marketing communication, business.

JEL: M00, M14, M30.

1. Introduction

In recent decades, we have all been witnessing profound transformations: technology evolution; explosion of social media; business globalisation (supported mostly by new information technologies); the extremely high competition; global recession and financial crisis; climate

¹ Professor / Ph.D., Faculty of Economics, "Romanian-German" University, Sibiu, Romania, tenzig11@yahoo.com
² Assistant Professor / Ph.D., Faculty Economics, "Romanian-German" University, Sibiu, Romania, mirceafuciu@yahoo.com
³ Professor / Ph.D., Faculty of Economics, "Lucian Blaga University of Sibiu", Romania, dumitresculuiigi@yahoo.com
change, energy crisis, environmental concerns; new international regulations for trade and capital movements; transition to information and knowledge based economy; growing strength of the civil society; the transition from consumer-centric to human-centric society and so on. Today, the technological and social changes are coming at a very fast pace and it is quite complicated for companies and individuals to keep track of them. Nowadays, the media in general and social media in particular are becoming more influential, because of the growing spread of the Internet. Information is transmitted very fast from one point of the world to another, so the new media has a global impact.

With today’s development and implementation of new information and communication technology and with the communication networks, the businesses could be extended from the local level— to a global level. It is important for companies and marketers to understand that the phenomenon of globalization of markets has been accompanied by calls for a globalization of ethical norms. "In the globalization paradox, the generic anxiety and desire of the consumers is to make their society and the world at large a better, perhaps even an ideal place to live." (Kotler, Kartajaya and Setiawan, 2010).

In recent years, business has been criticized as a major cause of social, environmental, and economic problems. There are a lot of voices saying that companies are prospering at the expense of their communities. People’s trust in business has fallen and business is caught in a vicious circle (Porter and Kramer, 2011).

2. Some CSR definitions

Corporate social responsibly (CSR) – one of the most important challenges in the 21st century – has gained attention of governments, decision makers, researchers, businesses, and the media. The concept may mean different things to different organizations and people, and is explained differently in various sources. As a modern term, CSR has already been introduced during the 1950s (Bowen, 1953).

Different perceptions of CSR have generated a series of misunderstandings and have created barriers for organizations in the way they approach CSR opportunities and challenges (Gorski, Fuciu, Croitor, 2014). Taking into account the fact that CSR is still an ambiguous concept with blurred boundaries, there are a lot of terms connected with CSR and not a broadly accepted definition. Different authors have examined and classified the concept and theories of corporate social responsibility (CSR), and have
interpreted it in different ways. Although the concept of corporate social responsibility (CSR) has been very much debated for over 50 years, there is no consensus and a generally valid definition (Carroll, 1991; Jones, 1995; Jones, 1999; Schwartz and Carroll, 2003; McWilliams and Siegel, 2006; Porter and Kramer, 2006; Cetindamar and Husoy, 2007; Smith, 2007; Blowfield and Murray, 2008; Dahlsrud, 2008; Fifka, 2009; Freeman, 2010, etc.). Berthout finds that corporate social responsibility, like the term “sustainable development”, means different things for different people (Berthout, 2005).

The definitional confusion surrounding corporate social responsibility might potentially be a significant issue. So, definitions of CSR range from highly conceptual to very practical or managerial statements. Secchi (2007) considers that “owing to the evolving meaning of CSR and the huge number of scholars who have begun to analyze the issue in recent years fresh efforts are needed to understand new developments. Since there is a great heterogeneity of theories and approaches, the task remains a very hard one, mainly because heterogeneity derives from multi-disciplinary diversity”.

CSR grows at different rhythms and varies from continent to continent, country to country, sector to sector and corporation to corporation. Lee (2008) points out that the definition of CSR has been changing in meaning and practice. Some definitions focus on external groups of a company, while others emphasize its internal environment. Moreover, some definitions deal with stakeholder interests, while others refer to wider perspectives – local community, environment, society etc.

One of the most complete definitions was introduced by Carroll (1979). He has also proposed and developed, one of the most elaborate, complete and most widely accepted CSR model (Carroll 1991, 1997), further employed by many researchers. In the four-layered pyramid model of corporate social responsibility, CSR is described as a multilayer concept. The model indicates four different types of corporate responsibility: economic (to gain profits); legal (to obey law), ethical (to act rightly, justly, honestly) and philanthropic (to be a good citizen) (Carroll, 1991, p. 39). All layers of CSR pyramid are interconnected; at the bottom of the pyramid there are the infrastructural, economic and legal responsibilities and on the top, there are the ethical and philanthropic responsibilities. The model is referring to all groups of internal and external stakeholders who should be treated fairly, with respect to human rights, social interests and environmental protection and laws of nature (Carroll, A. and Buchholtz, A., 2014).
Nowadays, corporate social responsibility ideas are propagated by numerous international organizations, including in particular the European Union. The European Commission gives a concise definition of CSR as a concept “whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2003: 7). The definition presented by the organization “CSR Europe” focuses on CSR from its value generating aspect and therefore it defines CSR as a process of “how a company manages and improves its social and environmental impact to generate value for both its shareholders and stakeholders, by innovating its strategy, organization and operations.” (CSR Europe, 2000)

3. CSR and marketing communication

In today’s market, the competition is very high and business success is dependent upon its relationship with the customers; without customers companies cannot survive. Therefore, it is important to build a strong, positive image and reputation which can lead to higher customer value. For long term success, it is essential for every company to have loyal customers, which do not shift to the competition even if this is offering better prices. Nowadays, companies are facing increasing pressure to maintain profitability and, at the same time, to behave in socially responsible ways. The shift of businesses’ approach from profit orientation towards ethical, social and environmental issues is resulting from the shift of consumers’ attitudes towards these issues. McWilliams, Siegel, and Wright (2006) suggested that CSR is a form of maintaining or building reputation. The way in which organizations interact with customers has changed dramatically over the past few years. CSR policy, together with other policies, such as Complaints management policy, enhance customer satisfaction and retention (Gorski, 2007).

There are studies that emphasize that there is a positive relationship between company’s CSR actions and the consumer behaviour regarding those companies. Consumers say they do care about a firm’s ethics and will adjust their purchase behaviours accordingly (Creyer, 1997). Other researchers demonstrated that the information that customers associate with a company can affect their perceptions and attitude related to the products and services offered by the company; what consumers know about a company can influence their evaluations of companies’ products/services (Brown and Dacin, 1997). Du, Bhattacharya and Sen (2007) find that positive CSR beliefs
held by consumers are associated not only with greater purchase likelihood but also with longer-term loyalty and advocacy behaviours.

An online Omnibus survey (i-omnibus) conducted by Ipsos MORI Service, among a total of 2,257 adults aged 16+ in the United Kingdom, emphasized that only 37% of respondents believe retailers are fairly or very ethical nowadays. The same research revealed that 63% of the respondents consider that it is not enough for companies to say that they are ethical; they need to prove it to consumers. Furthermore, 62% of the respondents agreed that it is important that retail companies are clear about the source of their raw materials or ingredients (MORI, 2014). We are living in an increasingly complex and sceptical world. Trust in business has fallen to all-time low, due to the so-called ‘green washing’ and unconfirmed ethical claims. We are witnessing the growth of consumer cynicism and mistrust. Taking into account these issues, marketing communications tools can play a major role in conveying a company’s CSR messages and communicating a more socially responsible image (Jahdi and Acikdilli, 2009).

Nowadays, consumers are well informed and can compare several value offerings of similar products. The product value is not defined any more by the company, but rather by the consumer, which demands from companies, honesty in their actions and communication. Companies have to demonstrate their positive impact on and have to integrate into their products and services approaches to societal problems such as climate change, healthcare, human rights, poverty, and energy independence and so on. Some groups of stakeholders – such employees and customers – have to be invited to participate to company’s social responsibility decisions and actions and the public at large must be kept informed about the progress the company is making towards those goals (Edelman, 2009).

As corporate responsibility becomes a bigger shaper of companies’ public images, ignoring the advantages of effective corporate responsibility, marketing becomes an increasingly higher stakes gamble (Bhattacharya, 2009). Consumer behaviour and corporate marketing, two important issues of marketing and CSR have a significant impact on both issues. Hildebrand, Sen and Bhattacharya highlight the unique role of CSR in being able to align multiple corporate identities and consider that CSR has a critical role in effective corporate marketing strategies. Furthermore, the paper emphasizes the CSR position as a managerial tool that has direct and indirect effects on corporate reputation, organizational identity, and corporate marketing (Hildebrand, Sen, Bhattacharya, 2011).
Perceiving social responsibility as an opportunity rather than as damage control or a PR campaign requires dramatically different thinking — a mind-set, the authors warn, that will become increasingly important to competitive success (Porter, Kramer, 2006).

Major food retailers in UK currently use CSR as a means of marketing, and communicating with customers, whilst they are within their stores (Jones, Comfort, and Hillier, 2005). The use of CSR initiatives to influence consumers and differentiate product offerings has become quite common. Homburg, Stierl, and Bornemann (2013) determined that targeted CSR activities could enhance trust and identification by organizational customers, thus fostering customer loyalty. The authors confirmed that CSR influenced client trust through loyalty and that integrating instrumental stakeholder theory with social exchange theory undergirded this link between CSR and trust.

In order for the company to get a good reputation, and in an effort to engage target audiences, companies increasingly communicate CSR messages through interactive online media. A research reveals that an increase in perceived interactivity leads to higher message credibility and stronger feelings of identification with the company, which also boosts corporate reputation and word-of-mouth intentions. The results emphasize that for improving the corporate reputation, it is important to use interactive channels to communicate about CSR, but firms need to carefully monitor these channels (Eberle, Berens, and Li, 2013).

CSR communication is subject to hypocrisy (Fassin and Buelens, 2011). Unfortunately, there is sometimes a very big gap between corporate rhetoric and corporate practice, which Wagner, Lutz and Weitz (2009) have called ‘corporate hypocrisy’. They are wondering whether it is not a form of corporate hypocrisy because, on the one hand, the companies conduct and declare their pro-social activities, create internal ethical codes, but, on the other hand, in various media (especially on the Internet and on social networking sites), information about unfair practices and unethical behaviours appear (Wagner, Lutz, Weitz, 2009).

4. Study regarding the CSR and marketing communication in Centre Development Region (Region 7), Romania

4.1. Scope, sample, data collection and data analysis
The purpose of this study is to analyze the perceptions of managers and employees on CSR communication and to reveal some implications of CSR on marketing communication. The findings could provide valuable insights to managers in order to improve their implication and actions in this domain. Both the theoretical and empirical results of this research could make an important contribution to related literature.

In order to confirm or infirm our hypothesis, we have conducted a research based on a questionnaire. It is important to underline that his paper is part of a more complex research regarding CSR implementation and continues our research work developed through a European project – CSR Matrix. For this study, managers and employees aged 25-65 in the organisations from the Centre Development Region in Romania were surveyed. Accounting for 14.3% of the Romanian territory, this region lies in Transylvania and consists of six counties (Alba, Brașov, Covasna, Harghita, Mureș and Sibiu).

For data collection there have been used both web-based and paper-pencil questionnaires, taking into consideration budgetary and other constraints. In order to facilitate achieving the targets, in the developed questionnaires open questions, closed questions and mixed were used. The items regarding CSR, communication and marketing were presented using a five-point Likert scale. The survey was unconcealed, the aim being known from the beginning by the respondents.

In order to detect any errors and to determine the perception and clarity of questions, the questionnaire was tested by a panel of 10 people (6 representatives from firms: large, medium, small and micro; 2 NGO representatives; 2 representatives of public institutions). The recommendations were taken into consideration and integrated in the final version before sending it to the respondents. Data collection for the survey of CSR took place in May-June 2015 in all participating counties. Collected data were processed, analysed and presented by IBM SPSS Statistics 19 for Windows and Microsoft Excel 2010.

In conducting this work we aimed to minimize errors due to non-response, inadequate samples and incorrect answers of the respondents. For ensuring that information will not be reported to a narrow niche of the organisations and that the results of this study will be relevant, we took into consideration in our research all type of organization classified according to different criteria: size (microenterprise, small and medium enterprises, large enterprises); ownership (public, private, mixed); form of capital (Romanian
capital, foreign capital, mixed); experience (working for more than 15 years, 13-15 years, 9-12 years, 6-9 years, 3-6 years, under 3 years).

In our survey research there are two important limitations. (1) The sample size (116 respondents); (2) The disproportionate variant and an availability sample (the subjects from the sample do not correspond to their statistical reality in terms of their percentage in total employers from the six counties in Central Region). Using an availability sample, the survey has given more importance to large, medium and small firms, than to the group of microenterprises (without eliminating these). Taking into consideration these limitations, the results should be considered in the light of the case study and cannot be extrapolated beyond the universe of the population.

4.2. Findings and research results

• Are CSR activities a means to promote the organization/ a marketing tool?

After processing the data obtained from the questionnaires, it was found that 55% of the respondents consider CSR a possibility to promote their own organizations (15% to a very large extent, respectively 40% to a large extent). Only 15% use CSR at a very small extent as a marketing tool, and 17% use it in a small extent (Figure 1).

![Figure 1: Use of CSR as a marketing tool](source)

Source: Authors' computation
The calculated score is 3.22 on a Likert scale, from 1 to 5 (1 - “Very small extent”, 5 - “Very large extent”), indicating a neutral position regarding this issue.

- **Is CSR a way to attract new customers and retain old customers (to win customer loyalty)?**

Figure 2 shows that only 47% of the organizations consider CSR as a way to attract new customers and to win customer loyalty (8% respectively 39%). 39% don’t agree with this idea (23% not at all/to a very small extent and 16% small extent) and 14% have a neutral position regarding this issue.

![Figure 2: Use of CSR for customer loyalty](image)

Source: Authors’ computation

The calculated score is 2.81, indicating that respondents’ position regarding this subject is between moderate and not much (more close to moderate).

- **Are there implemented in your organization measures to ensure that all commercial references made to information regarding products and/or services are clear, specific and correct?**

As we can notice in figure 3, in 79% of the questioned organizations there are implemented to a very large or large extent measures to ensure that
all business information regarding their products and/or services are clear, specific and accurate (45% respectively 34%). Only in 5% of the cases, these actions are implemented in a small or very low extent (2% respectively 3%).

**Figure 3: Information transparency**

![Pie chart showing the level of information transparency.](image)

The calculated score is 4.16, which indicates a high level of transparency regarding this type of information.

- **Price quality ratio**

79% of organizations consider to offer products and/or services with a correct price quality ratio (42% strongly agree and 37% agree); 18% have a neutral position and only 3% disagree in this respect (Figure 4).
The calculated score is 4.18, which indicates that the respondents appreciate that the price/quality ratio is adequate.

- *Does your organization have a marketing communication strategy?*

68% of organizations have a marketing communication strategy (21% - in a very large extent, respectively 47% - in a large extent); awareness campaigns for clients on issues of social, environmental and safety of products / services. For 8% of the surveyed companies, there is no such strategy and in 3% have it in a small extent (Figure 5).
The calculated score is 3.71, indicating a relatively high level of implication in implementing a marketing communication strategy (between moderate and large extent, more close to large extent).

- *Your organization carries out awareness campaigns about social issues, environmental security and safety products / services?*

As it can be seen in figure 6, 42% of organizations are caring out in a very large or large extent (16%, respectively 26%) awareness campaigns for clients on issues of social, environmental and safety of products / services (Figure 6). In 29% of the situations, these actions are not taken into consideration (13% not at all and 16% at a small extent). The calculated score is 3.16, which indicates a moderate implication in communicating these issues.
Figure 6: Awareness campaigns on social, environmental and safety products/service issues

Source: Authors' computation

- Are there defined ethical values/principles of CSR in the organizational communication?

Only in 31% of the organizations (6%, respectively 25%), ethical values/principles of CSR are defined in a very large or large extent. In 25% of the organizations, these are defined at a very small or small extent (17% respectively 8%). It is a huge percent of respondents (44%) that sustain a moderate position regarding this issue (Figure 7).

Figure 7: References to ethical values/principles of CSR in organizational communication
The calculated score is 2.71, which indicates an implication between low and moderate (more close to moderate) regarding the communication of ethical values of CSR.

- **How important do you think it is to promote CSR actions?**

53% of the organizations consider that it is very important and important to promote the CSR actions (16% respective 37%). Only 8% consider that these actions are slightly important and 2% not important. A large number of respondents have a neutral position regarding this issue (37%). The calculated score is 3.55 – between neutral and important.
How does your organization promote the CSR activities?
Which are your communication means/tools for promoting CSR actions/projects?

The survey’s results presented in figure 8 indicates that mass-media is situated on the first place regarding the ways of promoting the CSR activity (27%). On the second place (25%) is situated the promotion on their own website and very close (22%) promotion through different types of printed materials (brochures, catalogues, newsletters, internal reviews). Social media is used by 18% of the respondents. On the last place there are the annual reports (8%).

5. Conclusions
Corporate social responsibility refers to almost all areas of company’s activities, including, in particular, marketing. Organizations implementing CSR communication strategies and involved in CSR projects could gain a certain degree of competitive advantage over competition, and could increase the likelihood that customers are more willing to buy their products/services.
Unfortunately, the research emphasizes that CSR communication is at a rudimentary stage in some of the investigated organizations. In today’s open environment, lack of transparency can rapidly destroy the reputation of a company. Nowadays, companies understand that it is necessary to show the large public information they once considered private. Being transparent, trustworthy and responsive are vital ingredients for long-term success of any organization, regardless of the field of activity. Relevant, reliable, honest, truthful information that can increase customers comfort level with regard to purchase decisions should be provided. As we can observe, investigated organizations understand the importance that consumer are offered full and true information regarding their products/services in advertising materials (on the packaging, in catalogues, on leaflets, on the Internet). Also, there are several legal constraints for labelling and packaging products that organizations have to take into account. By obeying the rules, companies increase customers’ confidence and also help them stay out of legal problems and of public relations troubles.

Our study reveals that respondents are aware that quality and price are two very important factors that influence the customer purchase intention and they appreciate that the price/quality ratio for the products/service offered on the market is adequate.

In the research it was also found that the questioned organizations do not understand clearly enough the importance of CSR activities as ways to attract new customers and to win customer loyalty. Moreover, in the organizations where there are marketing communication strategies: these do not make reference sufficiently clear and comprehensive to ethical CSR values and CSR principles. As we emphasized in our literature review, promoting CSR actions can help organizations attract new customers, get customer satisfaction and attain their loyalty in new ways. Unfortunately, the research revealed that this is an underused tool for marketing communication in the questioned organizations. Also, the research results emphasized a moderate implication of organizations in carrying out awareness campaigns about social issues, environmental security and products/services safety, and also not enough implication in promoting these actions. These results could be explained by the fact that managers are not aware of the potential benefits of CSR activities.

Regarding the communication means for CSR action, it is important to understand that fast spread of information and communication technologies
generates favourable conditions for communication with actual and potential consumers in a virtual space. In our opinion, the most active part of society already uses the Internet as a primary source of information. Moreover, there is this new tendency of thinking that “if you are not on the Internet, you do not exist”. Therefore, companies should understand that consumers expect to find on Internet all information about their products, services, activities and projects.

Taking into account the research’s findings and results we provide some recommendations:

- Enhancing CSR communication possibilities (more and varied); Innovative forms for communicating CSR activities/projects, which include: organizing conferences and seminars on social and environmental issues; publishing and distributing brochures/newsletters/leaflets regarding CSR events; sponsorship, fundraising and volunteering; involvement in social marketing and cause related marketing, and so on.

- Partnerships between companies and NGOs could have an important role in improving CSR communication (NGOs are perceived as opinion leaders in social responsibility).

- Identifying business opportunities and competitive advantages that can be obtained by integrating CSR actions and social responsibility issues in the organizations’ communication strategy. CSR can be used as a marketing means and integrated successfully in marketing communication in order to support company’s brand, image and reputation and to influence consumer behaviour and create long-term relationship with these.

- Communication practitioners should look for new ways to use the Internet more intensely, and should focus more on using social media, since this is becoming an effective communication platform. Creating a strong online presence is essential for every organization. It seems that this approach tends to become more visible also for CSR.

- Improving the organization of CSR activities and assigning a department/service/person responsible for integrating CSR activities in the communication strategy.

- People education regarding these issues is not a fad, it is a necessity. The society needs education regarding CSR - in schools, colleges, and universities, in local communities and organizations. The education system, at all levels, could play a crucial role in the fostering of social responsibility.
Corporate Responsibility should be seen as a journey rather than a destination. Development and implementation of CSR strategy and CSR principles needs to be connected to marketing strategy, and should be done at all levels: operational, tactic, and strategic level.

References


