CSR and Branding: A Relational Overview

Arti Yadav

Department of Commerce, Aligarh Muslim University
E-mail: artiyadavdse@gmail.com

Abstract—*The current CSR debate is apparent proof of missed opportunities to pull CSR in Brand building activities. The concept of CSR came into limelight due to increase in unethical practices adopted by various organizations around the world. A company which emphasizes on its policy of social responsibility can amplify its good image and can create a competitive edge over others leading to 'Branding'. Branding represents a cornerstone in the corporate marketing umbrella. This study is based on the literature review covering various aspects related to CSR and branding including brand image management and consumers' perception. It also throws light on how consumers' perception can be managed to enhance brand value through CSR activities.*

Keywords: *CSR, Branding, Sustainability*

1. INTRODUCTION

In current scenario, with economic development and social changes there is a buzzword called CSR i.e. corporate social responsibility. The concept of CSR is not new but it came into limelight due to increase in unethical practices adopted by various companies around the world. CSR is embedded in the recognition that businesses are vital part of humanity and that as such they have the potential to make a positive contribution to societal goals and aspirations. The World Business Council for Sustainable Development defines CSR as: "The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and the society at large".

A company which emphasizes on its policy of social responsibility can amplify its good image and can create a competitive edge over others leading to 'Branding'. Branding is about creating and delivering a promise to target consumers. This promise can be about functional satisfaction, experiential enrichment, or aspirational fulfilment (Kapferer, 2004; Keller, 2008). Progressively, brands are promising that they care not only about their consumers but also about their workforce, the environment, and humanity at large.

According to American Marketing Association (2013), "A brand is a customer experience represented by a collection of images and ideas; often, it refers to a symbol such as a name, logo, slogan, and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design, and media commentary. A brand often includes an explicit logo, fonts, color schemes, symbols, sound which may be developed to represent implicit values, ideas, and even personality."

Branding represents a cornerstone in the corporate marketing umbrella. It is a simplifying symbol that helps stakeholders distinguish between sales offers (Cecilia and Carolina, 2007). The main aim of branding is to establish a significant and unique presence in the market that attracts and retains loyal customers. So, it can be said that CSR activities also helps in Brand Image Management. Also management recognises the need to promote socially responsible business practices to achieve a sustained strategic advantage (Luo andBhattacharya, 2006; Sen, Bhattacharya, and Korschun, 2006) to enhance a corporation's character. Character, which is the perception of all relevant stakeholders formed through a corporation's deeds, is a priceless intangible asset.

This study is based on the literature review covering various aspects related to CSR and branding including brand image management and consumers' perception. It also throws light on how consumers' perception can be managed to enhance brand value through CSR activities.

2. LITERATURE REVIEW

Shwu-Ing and Wen Hsuan (2014) their study is based on comparative analysis. In this the effect of CSR activities is measured upon five factors consisting of consumers' perception, brand image, brand attitude, satisfaction and brand loyalty. This study concludes that if a company comes out with a successful policy of CSR than their CSR policy can make its customers to purchase its products. And this will also impact the future buying willingness leading to sustainable development.

Josh and Emilia (2013) according to them CSR is extremely important in any business for generating brand value. The effect of CSR activities is not always seen directly but it has the potential for long term advantage. CSR is also useful in creating competitive difference among various brands at the market place.

Tiina and Kirsti (2011) emphasizes on various brand differentiating factors and positioning theory. By taking the case study of IKEA Company, the author highlights the multifaceted nature of brand perception in relation with the CSR activities. The most important component accordingly is to provide proof of responsible codes of conduct through effective CSR actions.

Holly, Dale and Bill (2009) highlight the sustainable impact of harmonization between corporate social responsibility and corporate branding. The author suggests that that corporate branding is the main factor behind progressing sustainability and corporate social responsibility. Also brand management should be focused towards developing strategies to economic, social and environmental sustainability so as to achieve the goal of sustainable corporate brand.

Cecilia and Carolina (2007) says that values such as corporate social responsibility and ethical business conduct are not tangible therefore brand play an important role of a guarantor for communicating such values. Accordingly branding is perceived as an asset for sustainable future of a business enterprise.

Kristiane and Steven (2004) focuses on three approaches for integrating CSR with brand marketing viz. the integrated approach, the selective approach and the invisible approach. According to the author CSR activities are not enough for sustainable development of a business. It should be linked with actual business practices, consistent communications and customer satisfaction for productive results.

3. CSR AND BRANDING: A RELATIONAL APPROACH

Based on the evidence in the literature it is clear that CSR activity is on the rise across the world and many companies realize that in order to accomplish something they must earn the respect and buoyancy of their customers. When firms are competing against each other for customers and for the best employees, the firm with the reputation for ethical behavior including CSR activities has an advantage over the others leading to increase in brand value.

According to Bloomberg Business Week, brand image is what you want to convey about yourself, your business, your product, your work ethic, and your professionalism combined with the strategy you've developed to reach your target audience"(Klein, 2006). Therefore, having and sustaining a good reputation is an enormously basic asset for businesses success, due to the fact that a great part of consumers' decision making is positioned on image and reputation.

As per the survey conducted by Economic Times in August 2014 and in November 2014 in terms of Brand Value and CSR activities respectively, most of the companies which topped the brand value survey also topped in the list of companies having best programmes for CSR activities for example TATA group, Mahindra group, Maruti Suzuki. The

relationship between CSR and Brand is strongest because of awareness, not of favourability. It means that if a company is well known in its society for CSR activities, its brand value will be more than its competitors. To generate sustainable brand value from responsibility; firms should be transparent in their business practices, and open with stakeholders about their values, actions and aims and for this "transparency is a pre-emptive brand-building weapon that can be deployed prior to conflict, attracting a different and more resilient type of loyalty"(Brady, 2003). Thus organisations should develop trust-based relationships with stakeholders, to in turn strengthen brand equity and the corporation's reputation as "trust is the competitive advantage of responsibility" (Brady, 2003, p. 283)

4. INTEGRATING CSR WITH BRANDING

CSR is not at all about administering public hospitals and schools. CSR is also not about sending support material to the trouble spots of the world. The contemporary world understands CSR much more intimately when you touch his life, with a little bit of CSR in your lather. CSR works at every stage. CSR is an all-encompassing process that embraces the betterment of society in a very inclusive manner.

The terms "brand" and "sustainability" can be seen together more often today than ever before. Since brands usually seen as the connector between business and people, their role has evolved beyond marketing to also represent corporate social responsibility (CSR) efforts. The relationship between CSR, Branding and Sustainability can be interpreted as follows:
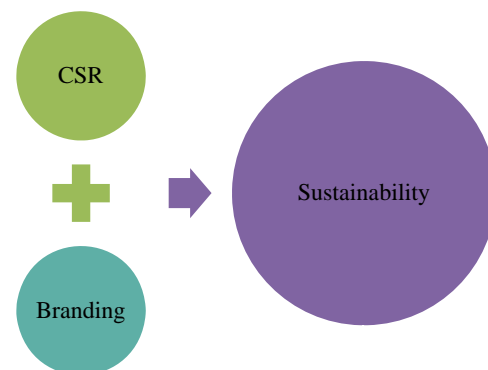
The corporate social responsibility (CSR) movement continues to thrive and brands are slowly but surely changing their focal point to broader and deeper issues surrounding sustainability, accountability and governance concerns. Integration between CSR and branding will also have the following outcomes:

- Sustainable competitive advantage
- Low employees turnover
- Increase in the level of investment
- Development of stress free and productive environmental culture

- Building organizational goodwill
- It can be a double-edge weapon leading to both, building reputation for own as well as taking care of the society at large

If a company wishes their brand to be professed as responsible, it is important to connect the brand to responsibility in consumers' minds. Responsibility and CSR have an effect on each level of the consumer-based brand equity building process influencing consumers' way of judgment and their purchase actions. By strategically engaging in social initiatives that are consistent with the brand's values and desired brand image, corporations can create fresh brand meaning and enhance existing stakeholder associations (Hoeffler and Keller, 2002).

In a globalized business world with spectacularly increasing connectivity among consumers and openness of information, companies cannot hide their face and say nobody is watching what they are doing. On the opposite, they should show efforts, and more crucially need to have a body of proof of their appropriate handling of what could be risky to the environment and society, and their efforts to reduce such risk.

5. CONCLUSION

Therefore after having an overview of the above it can be said that companies and business people who wish to thrive long term must adopt sound ethical decision making practices. To achieve competitive advantage in terms of economic, social, financial and environmental aspect there is a solid need for integration among CSR and branding.

Today those business organizations are victorious which are able to integrate the needs and demands of their employees and stakeholders. So if the organization does not have common shared values with its employees and stakeholders then the chances of success and sustainability of such a business organization are limited. Business organizations in order to sustain themselves in the long run must walk their talk in terms of increasing brand value through making efforts in CSR activities.

Since price and quality are major factors affecting purchase decisions, companies in today's global competitive setting should maintain their obligation to quality and reasonable prices, but embed CSR into their strategic planning. Companies that substantiate societal responsibility have been rewarded for their efforts and behaviors in terms of goodwill among consumers, stronger market position, and also greater financial performance, as compared to companies who are against CSR practices. This is what known as real competitive and sustainable advantage.

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