

MARKETING MANAGEMENT AND STRATEGY

WEEK 12

CORPORATE SOCIAL RESPONSIBILITY MARKETING

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SPRING 2024

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CORPORATE SOCIAL RESPONSIBILITY MARKETING

12.1 Introduction

Welcome to week twelve lecture! It is my joy to have you in this class! Today we focus on one of the most controversial areas on holistic marketing called corporate social responsibility marketing popularly known as CSR. CSR does not sound like a marketing activity as its impact may not be easily measured. It sounds more of a publicity campaign to make the company appear responsive to society as it meets its objectives. We will examine it as marketing strategy and how marketers can capitalize on its wider acceptance by society to accelerate achievement of the firm's marketing objectives.

12.2 Intended Learning Outcomes

At the end of this lecture, you will be able to:

1. Define corporate social responsibility marketing.
2. Discuss its significance to a business.
3. Describe various types of corporate social responsibility.
4. Determine barriers to implementation of CSR programs.
5. Evaluate best practices in CSR

12.3 Quotes on corporate social responsibility marketing

1. "Sustainability includes how you run your business, and my bottom line includes how you treat your people. Sustainability starts with your staff" Tom Douglas
2. "A business is successful to the extent that it provides a product or a service that contributes to happiness in all of its forms." - Mihaly Csikszentmihalyi
3. "To give real service you must add something which cannot be bought or measured with money, and that is sincerity and integrity." - Douglas Adams
4. "Because every exchange is always a relationship, to get the most while giving the least is unjust, unethical, antisocial, abusive, perhaps 'evil.' Yet predatory commerce ("the free market" as it is euphemistically called) operates regularly on the principle of 'get the most and pay the least'."- James Hillman
5. "Never deceive others, in business or in life. In 1995, I was deceived by four companies - four companies that are now closed. A company cannot go far by deceit."- Jack Ma
6. "The price of greatness is responsibility."- Winston Churchill
7. "Our consumers are very sensitive to social and environmental issues... We have actively engaged with them on these issues in the last ten years, and they have become very aware as consumers. They especially ask for information on environmental policies, workers' rights and product safety ." Walter Dondi, Director of Co-op Adriatica (Italy's largest retailer)

8. "Corporate social responsibility is a hard-edged business decision. Not because it is a nice thing to do or because people are forcing us to do it... because it is good for our business" Niall Fitzgerald, Former CEO, Unilever
9. "In my view the successful companies of the future will be those that integrate business and employees' personal values. The best people want to do work that contributes to society with a company whose values they share, where their actions count and their views matter ." Jeroen van der Veer, Committee of Managing Directors (Shell)

12.4 The concept of Corporate social responsibility

Literature reveals that the term corporate social responsibility has many other terms referring to it. For instance, terms like Socially responsible marketing (SRM), ethical corporate marketing or green marketing all refer to the same thing or are used interchangeably. There are a lot of definitions for this concept. We will review a couple of these definitions to give us some insight into what constitutes it.

1. CSR concerns the ethical and transparent relationship between a company and its public audiences, the establishment of goals in line with the sustainable development of society, the conservation of natural and environmental resources for future generations, respect for diversity and support for the reduction of social inequality (Ethos, 2016).
2. CSR involves a commitment to improving community well-being through discretionary business practices and corporate resource contributions (Kotler and Lee, 2005)
3. CSR involves the management of stakeholders' concerns about responsible and irresponsible actions related to environmental, ethical and social phenomena to create corporate benefits (Vaaland et al, 2008).
4. CSR involves a new way of doing business whereby companies manage their operations in a sustainable manner economically, socially and environmentally while recognizing the interests of different public audiences they relate to (i.e., shareholders, employees, the community, suppliers, and customers) in consideration of the environment and sustainable development (Forum Empresa, 2016).
5. CSR involves a company's voluntary integration of social and environmental concerns regarding its business operations and relationships with representatives (2001).It refers to the responsibility that companies have in structuring their impacts on society (2011).UE Green Paper (2001,2011)
6. Corporate social responsibility is 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 society at large" (Labhai, 2007).
7. Enderle and Tavis (1998) corporate social responsibility is 'the policy and practice of a corporation's social involvement over and beyond its legal obligations for the benefit of the society at large'.

8. Angelidis and Ibrahim (1993), corporate social responsibility is ‘corporate social actions whose purpose is to satisfy social needs’.
9. Lerner and Fryxell (1988) CSR describes the extent to which organizational outcomes are consistent with societal values and expectations.

11.5 Significance of CSR to a business

Corporate Social Responsibility (CSR) has become an integral part of business strategy in the modern corporate landscape. The significance of CSR to a business can be discussed from multiple perspectives, including ethical, financial, and strategic dimensions. Here are some key points that outline its importance:

1. **Reputation and Brand Loyalty:** CSR leads to enhanced brand image and trust credibility. Companies engaged in CSR activities are often viewed more favorably by consumers. This can lead to a stronger brand reputation and increased customer loyalty. Trust and Credibility implies demonstrating a commitment to social and environmental issues which helps in building trust with stakeholders, including customers, investors, and employees.
2. **Competitive Advantage:** this is achieved through differentiation and innovation. CSR initiatives can set a company apart from its competitors. Businesses that go beyond profit-making to address social and environmental concerns can attract customers who prioritize ethical consumption. Engaging in CSR can lead to innovative products and services. For example, sustainable practices can inspire new, eco-friendly technologies and solutions.
3. **Employee Engagement and Retention;** this is expressed through attracting talents and employee motivation and morale. Many employees prefer to work for companies that align with their personal values. CSR programs can help attract top talent who are looking for employers with a strong sense of social responsibility. Employees who believe their company is making a positive impact are often more motivated and engaged in their work. This can lead to higher productivity and reduced turnover.
4. **Operational Efficiency and Cost Savings:** this is achieved through sustainable policies and practices as well as through long-term viability thinking. Implementing sustainable practices, such as energy-efficient operations and waste reduction, can lead to significant cost savings. These practices not only reduce expenses but also mitigate risks associated with resource scarcity and regulatory compliance. CSR helps companies anticipate and adapt to changes in the regulatory and social environment, ensuring long-term sustainability.
5. **Risk Management:** this is addressed through regulatory compliance and crisis management. Proactive CSR strategies can help companies stay ahead of regulations and avoid fines and legal issues. This is particularly relevant in industries subject to stringent environmental and social regulations. Companies with strong CSR reputations are better equipped to handle crises. Stakeholders may be more forgiving if a socially responsible company encounters issues.

6. **Market Opportunities and Revenue Growth.** CSR can open up new market opportunities, particularly in areas where social or environmental needs are unmet. For instance, companies that focus on sustainable products can tap into the growing market for green goods. By addressing social issues and contributing to community development, companies can build relationships with new customer segments.
7. **Investor Attraction and Financial Performance:** More investors are incorporating environmental, social, and governance (ESG) criteria into their decision-making. Companies with strong CSR practices may attract more investment. Studies have shown a correlation between CSR and improved financial performance. Companies that are seen as responsible often experience better financial outcomes due to increased consumer support and operational efficiencies.
8. **Community Relations and Social Impact:** CSR activities that support community development, education, and health can lead to a more stable and prosperous society, which in turn benefits businesses operating within that community. Engaging with and contributing to the well-being of various stakeholders, including local communities and suppliers, fosters positive relationships and a supportive business ecosystem.

The significance of CSR to a business extends beyond ethical considerations to encompass tangible benefits such as enhanced reputation, operational efficiencies, competitive advantage, and financial performance. By integrating CSR into their core strategies, businesses can achieve sustainable growth while contributing positively to society and the environment.

12.6 Types of CSR marketing

There are various types of marketing that support CSR activities. To understand the link between marketing and CSR, Sanclemente (2012), has made the following observations.

1. **Broadening of the concept of marketing:** the application of major marketing concepts and techniques for the support of the social objectives and roles of companies. Marketing shall be applied for purposes extending beyond the mere promotion of consumer goods.
2. **Marketing and society:** marketing and economic development, macromarketing, marketing contributions to society as a whole, and business opportunities at the ‘bottom of the pyramid.’ The marketing system is analyzed in its entirety.
3. **Specific dimensions of social responsibility in marketing:** marketing ethics; retailing and CSR; social marketing; “cause-related marketing;” fair trade, responsible consumption and consumer vulnerability; philanthropy; green marketing and “greenwashing;” and responsible marketing. Social/environmental aspects are linked to economic aspects and are related to marketing by applying applicability and a specific scope to constructs of CSR in this discipline.
4. **CSR, corporate associations, images, reputations and stakeholders:** this area examines CSR actions as a communication tool for increasing consumer loyalty and for reputation building, corporate marketing, consumer identification and responses (perceptual

associations) to companies based on their CSR actions. The needs of the company stakeholders are also considered.

5. The relationship between CSR and overall company performance: This involves considering CSR as a corporate strategy and as a source of competitive advantage in organizations. A company's performance is also linked to actions undertaken in this regard.

Specific dimensions of CSR marketing as outlined by Kotler and Lee (2005) will include the following.

1. **Cause promotions** is about supporting a social cause through promotional sponsorship and the support can be contributed as fundraising, participation and so on. It leads to an increase in cause awareness as well as allowing a positive outcome to a corporation's reputation. Cause promotion is a strategy where businesses support and raise awareness for social or environmental issues without directly linking their efforts to a specific product or sales campaign. The primary goal is to leverage the company's resources, brand influence, and platforms to promote a cause, encourage public engagement, and drive positive change.

Key Characteristics of Cause Promotion:

- Awareness and Education: Efforts are focused on informing the public about a specific issue or cause, often through campaigns that provide information and resources.
- Partnerships: Companies often collaborate with non-profits, NGOs, or governmental organizations to amplify the reach and impact of their cause promotion efforts.
- Use of Media and Marketing Channels: Utilizing various media platforms, including social media, advertising, and public events, to spread the message and engage a wider audience.
- Non-commercial Focus: Unlike cause-related marketing, cause promotion does not directly tie the campaign to sales or product purchases.

Benefits of Cause Promotion:

- Public Engagement: Increases awareness and encourages public involvement in important social and environmental issues.
- Brand Reputation: Enhances the company's reputation as a socially responsible and ethical entity, fostering goodwill among consumers and stakeholders.
- Community Impact: Drives positive social change by educating the public and mobilizing resources to address critical issues.
- Employee Pride: Boosts employee morale and engagement as they take pride in their company's commitment to meaningful causes.

Cause promotion is a powerful way for businesses to leverage their influence and resources to support and raise awareness for important social and environmental issues. By focusing on

education and public engagement, companies can drive significant positive change while also enhancing their own brand reputation and fostering stronger connections with their communities and stakeholders.

2. ***Cause-related marketing*** activity starts when a corporation decides to donate a given revenue percentage to a cause that is based on the product sales or usage. It takes place when a corporation agrees to make a partnership with a non-profit organization, and therefore the cause will benefit both parties. Moreover in order to be successful, sales of the specific products included in the campaign ought to be good. Cause-related marketing (CRM) is a strategy where businesses align themselves with a social or environmental cause to benefit both the cause and the company. This approach involves a partnership between a for-profit business and a non-profit organization, where the business commits to donating a portion of proceeds from specific products or services to the non-profit or its initiatives. The primary goal is to drive sales while simultaneously raising awareness and funds for the cause.

Key Characteristics of Cause-related Marketing:

- **Mutual Benefit:** Both the business and the non-profit organization benefit from the partnership. The business can enhance its brand image and attract customers who care about the cause, while the non-profit receives financial support and increased visibility.
- **Product or Service Linkage:** The marketing campaign is often linked to the sale of a specific product or service, with a portion of the sales revenue going to the cause.
- **Promotion and Awareness:** The campaign includes efforts to promote the cause, raising awareness among consumers and encouraging them to support the cause through their purchases.

Benefits of Cause-related Marketing:

- **Enhanced Brand Image:** Associating with a good cause can improve a company's public perception and build brand loyalty.
- **Increased Sales:** Consumers are often more likely to purchase products that support a cause they care about, driving sales for the company.
- **Customer Engagement:** CRM campaigns can engage customers on a deeper level, fostering a sense of community and shared purpose.
- **Social Impact:** By supporting important causes, businesses can contribute positively to society, addressing issues such as poverty, health, and environmental sustainability.

Cause-related marketing is a powerful strategy that leverages the strengths of both businesses and non-profits to achieve mutual goals. It not only helps raise funds and awareness for important causes but also enhances the company's reputation and customer loyalty, creating a win-win situation for all parties involved.\

3. ***Corporate social marketing*** focuses more on behavioral change which supports the campaign that rely upon such matter and for instance it could be an example of public health, safety, and community well being. This takes place when a corporation involves

with public sector agencies, therefore it supports the awareness through activities such as fundraising. Corporate social marketing (CSM) is a strategy where businesses use marketing techniques to promote behavior change that benefits society as a whole. Unlike cause-related marketing, which focuses on raising funds and awareness for a specific cause, CSM aims to influence positive social behaviors directly. This can include promoting healthier lifestyles, environmental conservation, safety practices, and more. Companies leverage their resources, brand influence, and marketing expertise to drive societal improvements.

Key Characteristics of Corporate Social Marketing:

- Behavior Change Focus: The primary goal is to influence specific behaviors that lead to social or environmental benefits.
- Marketing Techniques: Utilizes traditional and digital marketing tools, such as advertising, social media campaigns, and public relations, to reach and influence target audiences.
- Partnerships: Often involves collaboration with government agencies, non-profits, or other organizations to enhance the campaign's reach and effectiveness.
- Long-term Commitment: Successful CSM initiatives typically require sustained effort and commitment over time to achieve significant impact.

Benefits of Corporate Social Marketing:

- Social Impact: Directly contributes to addressing societal and environmental issues by promoting beneficial behaviors.
- Brand Reputation: Enhances the company's reputation as a responsible and caring corporate citizen, leading to increased customer loyalty and trust.
- Employee Engagement: Motivates employees who are proud to work for a company that actively contributes to societal well-being.
- Customer Engagement: Creates a deeper connection with customers who share the company's values and are motivated to support its social initiatives.

Corporate social marketing is a powerful tool for businesses to effect positive social change while simultaneously enhancing their brand image and engagement with stakeholders. By leveraging their marketing capabilities for the greater good, companies can play a crucial role in promoting healthier, safer, and more sustainable behaviors within society.

4. ***Corporate philanthropy*** is the most common form of activity among the ones mentioned and it differs from the rest through its direct giving to the cause, rather than involving in the actual process. It takes place in the form of donation which obviously, in the first hand means to support the cause however it also contributes to the corporation's positive image. Corporate philanthropy refers to the practice of businesses donating their resources,

including money, products, services, or time, to support charitable causes and organizations. It is a key component of corporate social responsibility (CSR) and reflects a company's commitment to giving back to the community and addressing social issues.

Key Characteristics of Corporate Philanthropy:

- Monetary Donations: Companies contribute cash donations to non-profit organizations, charitable causes, or community projects.
- In-kind Donations: Businesses provide products or services to support non-profits and community initiatives. This can include donating equipment, supplies, or professional services.
- Employee Volunteerism: Companies encourage and sometimes organize employees to volunteer their time and skills to support charitable activities.
- Sponsorships and Grants: Businesses offer sponsorships for events or provide grants to non-profit organizations to help fund specific projects or programs.
- Matching Gift Programs: Companies match the charitable contributions made by their employees, effectively doubling the impact of the donations.

Benefits of Corporate Philanthropy:

- Community Impact: Directly contributes to the well-being and development of communities, addressing critical social, environmental, and economic issues.
- Brand Reputation: Enhances the company's image as a socially responsible and ethical entity, fostering goodwill among customers, employees, and stakeholders.
- Employee Morale: Increases employee satisfaction and loyalty as they take pride in working for a company that actively supports meaningful causes.
- Customer Loyalty: Builds stronger relationships with customers who value and support businesses that demonstrate a commitment to philanthropy.
- Networking and Partnerships: Facilitates relationships with non-profit organizations, community leaders, and other businesses, leading to potential collaborations and mutual benefits.

Corporate philanthropy is a vital aspect of a company's social responsibility efforts, reflecting its commitment to giving back to society. By contributing financial resources, products, services, and employee time, businesses can make a significant positive impact on communities and social causes, while also enhancing their own reputation and stakeholder relationships.

5. **Community volunteering** occurs when a corporation supports a cause through its help of employees, retail partners, or franchise members. In other words, such activity takes place in the form of employee's volunteer work into the cause, rather than giving away cash or

fundraising. Community volunteering is the practice of employees contributing their time, skills, and effort to support community projects and non-profit organizations. This form of corporate social responsibility involves businesses encouraging and often organizing their workforce to engage in volunteer activities that benefit the local community and address social issues.

Key Characteristics of Community Volunteering:

- **Employee Involvement:** Employees participate in volunteer activities, either individually or in groups, supported by their employer.
- **Company Support:** Businesses may offer paid time off for volunteering, organize volunteer events, or create programs that facilitate employee participation in community service.
- **Skill-Based Volunteering:** Employees use their professional skills and expertise to support non-profit organizations, providing specialized assistance that these organizations might otherwise be unable to afford.
- **Community Focus:** Activities are typically aimed at addressing local needs and contributing to the welfare of the community where the business operates.

Benefits of Community Volunteering:

- **Community Impact:** Provides valuable support to non-profit organizations and addresses local community needs, contributing to social and economic development.
- **Employee Engagement:** Enhances employee morale, job satisfaction, and retention by fostering a sense of purpose and pride in contributing to the community.
- **Skill Development:** Allows employees to develop new skills and gain experiences outside their usual work environment, which can enhance their professional growth.
- **Corporate Reputation:** Builds a positive company image and strengthens relationships with the community, customers, and other stakeholders.
- **Team Building:** Promotes teamwork and collaboration among employees as they work together on volunteer projects, enhancing workplace cohesion and culture.

Community volunteering is an impactful way for businesses to engage with and support their local communities. By organizing and encouraging employee participation in volunteer activities, companies can make a significant positive difference in society, while also benefiting from increased employee engagement, skill development, and an enhanced corporate reputation.

6. ***Socially responsible business practices*** is about a corporation's willingness to conduct more of discretionary business practices that concerns to support of any causes in order to improve community wellbeing and furthermore protect the environment. Socially responsible business practices refer to the strategies and actions a company takes to operate

ethically and contribute positively to society. These practices go beyond compliance with legal requirements and focus on enhancing the well-being of employees, communities, and the environment. Here are key characteristics and examples:

Key Characteristics of Socially Responsible Business Practices:

- Ethical Labor Practices: Ensuring fair wages, safe working conditions, and respect for workers' rights.
- Environmental Sustainability: Implementing eco-friendly operations, reducing carbon footprints, and promoting sustainable resource use.
- Community Engagement: Actively contributing to community development through philanthropy, volunteerism, and local partnerships.
- Product Responsibility: Offering safe, high-quality products and services while being transparent about sourcing and manufacturing processes.
- Corporate Governance: Adhering to high standards of integrity, transparency, and accountability in corporate decision-making.

Benefits of Socially Responsible Business Practices:

- Enhanced Reputation: Builds trust and credibility with customers, investors, and other stakeholders.
- Customer Loyalty: Attracts and retains customers who value ethical and sustainable business practices.
- Employee Satisfaction: Increases employee morale and retention by fostering a positive and ethical workplace culture.
- Risk Management: Reduces risks related to legal issues, supply chain disruptions, and reputational damage.
- Financial Performance: Can lead to long-term financial gains by fostering innovation, operational efficiencies, and customer loyalty.

Socially responsible business practices are integral to modern corporate strategy. By prioritizing ethical labor practices, environmental sustainability, community engagement, product responsibility, and strong corporate governance, companies can contribute positively to society while also benefiting their own operations and reputation.

12.9 Barriers to effective implementation of corporate social responsibility marketing

Effective implementation of CSR programs in a business is hindered by a number of factors. Some factor are firm specific while others are beyond the firm. According to Kum and Jun (2016) and Mahmood et al (2021) the following specific factors affect implementation of CSR programs.

- **Lack of Resources:** CSR initiatives often require significant financial, human, and technological resources. Companies may struggle to allocate funds, staff, or technology needed to effectively implement and sustain CSR programs, especially if they are already operating on tight budgets. Without adequate resources, even the best-intentioned CSR programs can fail to get off the ground or achieve meaningful impact.
- **Lack of Strategic Vision:** CSR needs to be integrated into the overall business strategy to be effective. A lack of strategic vision means that the company has not clearly defined how CSR aligns with its core business objectives, values, and long-term goals. This can result in fragmented efforts, where CSR activities are ad hoc or disconnected from the company's main operations, leading to inefficiencies and reduced impact.
- **Lack of Measurement System:** Measuring the impact of CSR programs is crucial for understanding their effectiveness and justifying continued investment. Without a proper measurement system, it becomes difficult to track progress, assess outcomes, and demonstrate the value of CSR initiatives to stakeholders. This lack of accountability can hinder the ability to make data-driven decisions and improvements.
- **Lack of Top Management Commitment:** Top management's support is vital for the successful implementation of CSR programs. If senior executives are not committed, CSR initiatives may not receive the necessary attention, resources, or strategic priority. This can result in low engagement across the organization, insufficient funding, and a lack of integration into the corporate culture and daily operations.
- **Lack of Understanding of CSR:** CSR encompasses a broad range of activities, from environmental sustainability to social equity. If there is a lack of understanding about what CSR entails, its importance, and how it can benefit the company and society, it can lead to resistance or apathy. Employees and stakeholders may not see the value in CSR initiatives, resulting in poor participation and support.
- **Complexity to Implementing CSR:** Implementing CSR programs can be complex due to the need to balance various stakeholder interests, comply with regulations, and address diverse social and environmental issues. The complexity increases with the size and geographic scope of the company. Navigating these complexities requires robust planning, cross-functional coordination, and often, external partnerships, which can be challenging to manage effectively.

Other industry and macro factor affecting implementation of CSR include:

- **Lack of Regulatory Framework:** A strong regulatory framework can provide guidance and set standards for CSR activities. In the absence of such regulations, companies may lack clear direction on how to implement effective CSR programs. This can lead to inconsistent practices, where businesses might either do too little or invest resources inefficiently. Without regulatory mandates, companies may also be less motivated to adopt CSR practices, viewing them as voluntary or secondary to core business operations.

- **Low Willingness to Pay for CSR:** Implementing CSR initiatives often comes with additional costs. If there is a low willingness to pay for these initiatives—either by the company itself, its customers, or other stakeholders—this can be a significant barrier. Companies may fear that the increased costs will reduce profitability or that customers will not be willing to pay higher prices for products and services that are more socially responsible. This financial reluctance can hinder the scale and effectiveness of CSR programs.
- **Lack of Stakeholder Engagement:** Effective CSR requires the active participation and support of various stakeholders, including employees, customers, suppliers, and the community. If stakeholders are not engaged or do not see the value in the CSR initiatives, it can be challenging to implement these programs successfully. Engaging stakeholders helps to ensure that CSR efforts are relevant, well-supported, and more likely to succeed.
- **Short-Term Focus:** Many businesses prioritize short-term financial performance over long-term sustainability. This short-term focus can conflict with the goals of CSR, which often require long-term investments and a longer horizon to see tangible results. Companies may be reluctant to invest in CSR initiatives that do not provide immediate financial returns, thus limiting the scope and effectiveness of their CSR efforts.
- **Cultural Resistance:** Organizational culture plays a crucial role in the adoption of CSR practices. If a company's culture is resistant to change or not aligned with the principles of social responsibility, implementing CSR programs can be challenging. This resistance can stem from a lack of awareness, entrenched business practices, or skepticism about the benefits of CSR. Overcoming cultural resistance requires strong leadership, education, and a shift in corporate values.
- **Inadequate Communication:** Effective communication is essential for the success of CSR programs. If there is inadequate communication about the goals, benefits, and progress of CSR initiatives, both internally and externally, it can lead to misunderstandings, lack of support, and diminished impact. Clear and consistent communication helps to build trust, align efforts, and demonstrate the company's commitment to social responsibility.

Addressing these barriers requires a holistic approach, including clear strategic planning, committed leadership, adequate resource allocation, effective measurement and reporting systems, comprehensive education and communication about CSR, and a willingness to navigate and manage complexity.

12.10 Best Practices in CSR

We conclude this lecture by mentioning best practice in CSR as outlined by “The protection project (2015): Implementing best practices in Corporate Social Responsibility (CSR) involves focusing on various key areas to ensure a comprehensive and positive impact. Here’s an explanation of best practices in the following CSR areas:

1. Human Rights issues
 - Fair Labor Practices: Ensure that all employees and workers in the supply chain are treated fairly, paid adequately, and work in safe conditions. This includes adhering to international labor standards and eliminating child labor, forced labor, and discrimination.
 - Employee Rights: Respect and promote the rights of employees, including the right to organize, collective bargaining, and protection against harassment and abuse.
 - Community Rights: Protect the rights of communities affected by business operations, ensuring that their voices are heard, and their concerns are addressed, particularly in relation to land use, natural resource management, and environmental impacts.
2. Fair Trade and Supply Chain
 - Ethical Sourcing: Partner with suppliers who adhere to ethical labor practices and sustainable environmental practices. This includes conducting regular audits and assessments to ensure compliance.
 - Transparency: Maintain transparency throughout the supply chain by providing clear information about sourcing, production processes, and product origins. This helps build trust with consumers and stakeholders.
 - Fair Compensation: Ensure that all workers in the supply chain receive fair wages and benefits that meet or exceed local living wage standards.
3. Education and Culture
 - Educational Programs: Invest in educational initiatives for employees, their families, and the broader community. This can include scholarships, training programs, and partnerships with educational institutions.
 - Cultural Preservation: Support and respect local cultures and traditions. This can involve sponsoring cultural events, promoting cultural diversity within the workplace, and ensuring business practices do not negatively impact cultural heritage.
 - Employee Development: Provide continuous learning and development opportunities for employees to enhance their skills and career prospects.
4. Health
 - Workplace Health and Safety: Prioritize the health and safety of employees by maintaining high standards of workplace safety, providing access to healthcare, and promoting wellness programs.
 - Community Health Initiatives: Support public health initiatives in the communities where the company operates. This can include funding healthcare facilities, vaccination programs, and health education campaigns.
 - Mental Health: Promote mental health awareness and provide resources for employees to manage stress and mental health challenges effectively.
5. Environment issues
 - Sustainable Practices: Implement sustainable business practices that minimize environmental impact. This includes reducing carbon footprints, conserving water, and minimizing waste.

- Environmental Restoration: Engage in activities that restore and protect natural ecosystems, such as reforestation projects, biodiversity conservation, and pollution cleanup efforts.
 - Green Innovations: Invest in research and development of environmentally friendly technologies and products.
6. Professional Development and Workforce
- Career Advancement: Create clear career paths and opportunities for advancement within the organization. Provide training, mentorship, and leadership development programs.
 - Diversity and Inclusion: Foster a diverse and inclusive workplace where all employees feel valued and have equal opportunities to succeed.
 - Work-Life Balance: Promote policies that support work-life balance, such as flexible working hours, remote work options, and family-friendly benefits.
7. Community Development
- Local Economic Development: Support local economies by sourcing from local suppliers, hiring locally, and investing in local infrastructure and community projects.
 - Philanthropy and Volunteering: Encourage and facilitate employee volunteering and corporate philanthropy. Support charitable organizations and community projects through donations and active participation.
 - Stakeholder Engagement: Engage with community stakeholders to understand their needs and concerns. Collaborate with local organizations and leaders to develop initiatives that benefit the community.

Implementing these best practices helps ensure that CSR initiatives are effective, sustainable, and beneficial to all stakeholders involved. They also contribute to building a positive corporate reputation and fostering long-term business success.

12. 11 Review Questions

1. Discuss the various terms used interchangeably with CSR, such as Socially Responsible Marketing (SRM), ethical corporate marketing, and green marketing. How do these terms reflect different aspects of CSR?
2. Based on the definitions of CSR provided by Ethos (2016) and Kotler and Lee (2005), compare and contrast their perspectives on what constitutes CSR. How do these definitions highlight the multifaceted nature of CSR?
3. Explain how CSR can provide a competitive advantage for businesses. Provide examples of companies that have successfully differentiated themselves through innovative CSR initiatives.
4. Analyze the impact of CSR on employee engagement and retention. Why do many employees prefer to work for companies with strong CSR programs, and how can this preference benefit the company?

5. Describe the role of corporate philanthropy in CSR. How does it differ from other CSR activities such as cause-related marketing and community volunteering? Discuss the potential benefits and challenges associated with corporate philanthropy.

Self-test

1. Which of the following is NOT a term used interchangeably with CSR?
- A) Socially Responsible Marketing (SRM)
 - B) Ethical corporate marketing
 - C) Green marketing
 - D) Profit Maximization Strategy
2. According to Ethos (2016), CSR concerns the relationship between a company and its public audiences in all the following ways EXCEPT:
- A) Establishing goals in line with sustainable development
 - B) Conserving natural and environmental resources
 - C) Maximizing shareholder profit
 - D) Reducing social inequality
3. According to Kotler and Lee (2005), CSR involves:
- A) Only legal obligations of a company
 - B) Commitment to improving community well-being through discretionary business practices
 - C) Mandatory environmental regulations
 - D) Maximizing immediate profits
4. Which of the following best describes Vaaland et al's (2008) definition of CSR?
- A) Management of stakeholders' concerns about responsible and irresponsible actions related to environmental, ethical, and social phenomena
 - B) Legal compliance and profit maximization
 - C) Philanthropic donations only
 - D) Focusing solely on environmental issues
5. Forum Empresa (2016) defines CSR as managing operations in a sustainable manner while recognizing the interests of which groups?
- A) Shareholders only
 - B) Shareholders, employees, the community, suppliers, and customers
 - C) Environmental organizations only
 - D) Government agencies exclusively
6. Which of the following is a key benefit of CSR mentioned in the text?
- A) Decreased brand reputation
 - B) Increased regulatory fines
 - C) Enhanced employee motivation and morale
 - D) Reduced operational efficiency

7. CSR can lead to which of the following competitive advantages for a business?

- A) Higher operational costs
- B) Differentiation and innovation
- C) Reduced customer engagement
- D) Increased legal issues

8. Cause-related marketing involves:

- A) Direct donations to non-profit organizations without any product sales linkage
- B) Donating a percentage of revenue from product sales to a cause
- C) Reducing product quality to save costs
- D) Ignoring consumer preferences

9. Corporate philanthropy is characterized by:

- A) Companies directly participating in volunteer activities
- B) Monetary and in-kind donations to support charitable causes
- C) Linking donations directly to product sales
- D) Focusing only on environmental sustainability

10. Community volunteering as a CSR activity primarily involves:

- A) Giving cash donations
- B) Employees contributing their time and skills to support community projects
- C) Investing in new technologies for profit
- D) Reducing employee benefits to cut costs

Marketing Management Project

Part 11

1. Let's discuss the various CSR projects carried by the firm you have been studying
2. Suggest areas of improvement

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Answers to self-test evaluations

1. Profit Maximization Strategy
2. Maximizing shareholder profit
3. Commitment to improving community well-being through discretionary business practices
4. Management of stakeholders’ concerns about responsible and irresponsible actions related to environmental, ethical, and social phenomena
5. Shareholders, employees, the community, suppliers, and customers
6. Enhanced employee motivation and morale
7. Differentiation and innovation

8. Donating a percentage of revenue from product sales to a cause
9. Monetary and in-kind donations to support charitable causes
10. Employees contributing their time and skills to support community projects