THE CONTRADICTIONS OF INTEGRATING CSR INTO MARKETING IN THE TECHNO WORLD AS A BUSINESS STRATEGY

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ABSTRACT

Corporate Social Responsibility (CSR) is all about executing business in a technical responsible fashion and morality that exhibits value and ethical principles to the firm and also to their stakeholders and the society where it operates. Nowadays, CSR is less constrained to define itself as ethically oriented concept, when it is aligned with marketing strategies. Though there are advantages and beneficial aspects of using both CSR and Marketing to promote competitive advantage, the combinations of the above two are different etymologies, which always don’t go along with each other in this technological world. As the technology plumps up, the CSR communication and implementation patterns grown up from manual to machine; then machine to modern software application. However companies frame CSR ideologies according to current digital era to integrate with their business strategies to amplify their brand image and identity. In this article, the author reviews various literatures to argument with the causes and positive and negative effects of integrating CSR concept into marketing strategies while keeping the purpose of CSR unaltered. The findings show that there is some negativity and contradictions of using ethically responsible and social actions for the purpose of branding and marketing.

Keywords: Corporate Social Responsibility (CSR), Marketing, Business strategy, Competitive advantage


http://www.iaeme.com/IJMET/issues.asp?JType=IJMET&VType=9&IType=9
1. INTRODUCTION

CSR is an approach that enables organization to contribute for sustainable development by ensuring social, economic, and environmental growth to all stakeholders. CSR is also a concept that has various practices and definitions. It has understood in a specific way and has been implemented differently from company to company and country to country. It addresses various categories such as corporate governance, economic development, human rights, environmental effects, health and safety, working conditions etc. Evidently, the CSR’s purpose is to establish change towards society and sustainability. Though a few companies have hit an outstanding effort with distinctive initiatives of CSR, it is a great strenuous activity to be on the top with respect to all the CSR aspects. The five broad areas that CSR covers are as follows: corporate governance, environment, financial performance, employee welfare and community. It is alarming that, none of these categories seriously focus and contributes to the idea of Ethics and social conscience.

The detailed initiatives of CSR mostly cover strategic philanthropy, charitable giving, cause-related marketing and community involvement. Despite of magnifying the brand and corporate affairs, CSR efforts are questioned and put on fire by the investors, customers and other interest groups who are furious about the misuse of stakeholders and shareholders’ money and criticize the firms for laying assurance but could not deliver the same. The Coca-Cola Company, British American Tobacco and Shell are few organizations who have faced backlash for their CSR efforts. Other companies such as Nike, IKEA, Texaco and The Body Shop are some real-life examples. This shows how volatile and fragile the image of the company when a corporate or firm is publicly criticized for their misbehavior while performing CSR. Though the accusations may be true or not, the out coming negative publicity creates certain damage like the customer perception towards the company and its products says Dean .D. H. (2004). This destructive reputation will certainly affect the company’s profits and sales, mainly if immediate and sufficient response to the crisis is failed to be made at the earliest.

2. OBJECTIVES

i. To identify the possible outcomes of integrating CSR into Marketing as a Business strategy.

ii. To analyze the various contradictions of using the combination of CSR and Brand marketing in business portfolio.

3. REVIEW OF LITERATURE

(Kotler, & Lee, 2005), who specifically mention and differentiate between “social initiatives” devised in referring to Community Volunteering, Socially Responsible Business Practices, Corporate Philanthropy, Corporate Social Marketing, Cause Promotion and Cause-Related Marketing. Likewise, some ethical and aspects of are considered through various marketing strategies of the firm based on this perspective, which also involves fair trade considerations that seek to protect the rights of goods producers and retailers.

(Téllez J.C.S, 2017) The field has evolved from a broadening of the discipline (Years 60) to the real strategic management of CSR that seeks to create differentiation, resulting in a closed market (and/or customer) approach to the management of relationships and to benefits for all stakeholders to significantly improve the financial performance of organizations that undertake specific CSR initiatives linked to marketing.

(Piercy, & Lane, 2009) the authors explore the effects of CSR on marketing strategies. It is suggested that CSR affects the delivery of value to customers. A framework for examining
company responses to CSR requirements and for moderating impacts of perceptions of stakeholder, employees and manager and also the social credibility of a company was developed by them. For the past ten years in literature we can see, scholars placed their point and assures that CSR communication could be a potential tool to address the obstructive impact of a crisis (Coombs, 1995).

(Yokohama, 2008) a framework for analyzing company CSR actions and for incorporating them into corporate strategies contributing to overall performance is presented. The author argues that a company should design its CSR activities to expand its pool of stakeholders, capacities and resources. Moreover, it is suggested that effects of such activities derive from internal (implementation and learning) and external factors (legitimacy and reputation), and the author describes efforts that must be made to stimulate such processes.

Nowadays, customers are more likely to pay or purchase for more price for the goods or products from a company which are socially responsible says (Trudel, & Cotte, 2009). Also other groups of stakeholders, namely employees and investors, begin to notice social commitment of a company. Meanwhile, over the years marketing has bad reputation as regards ethical and social issues. Social criticism is expressed by different groups including in particular the following three groups of stakeholders: consumers, society at large and other business entities (Kotler and others, 2002). (Sen and Bhattacharya, 2001) in their work states that current research in marketing, though, reveals that communication of CSR activities by the company not always ends in positive implication.

(Brown and Dacin, 1997) analyzed that many research study have purely reports that perceived corporate activities which are socially irresponsible will give rise to obstructive perceptions about the products and the company which manufactures and produces it. Finally, it was found that the organization which is performing well in CSR is the one that are proscribed the most. And the others who are criticized the least are the ones who do nothing. (Swaen .V and Vanhamme .J, 2004) suggests that companies who are promoting themselves as socially responsible should also think and know how unfortunate to their business allegation of irresponsible behaviors could be.

(Szwajca .D, 2013) states that the influence of CSR ideas and assumptions on marketing actions of companies manifests itself in the use of pro-social solutions and the ones consistent with the rules of ethics in the areas: product and packaging, price, promotion and distribution. The main stimulus of implementation of so-called good practice is a pressure of consumer environment and international organizations, mostly including EU. However, it turns out that many companies (especially in the countries after system transformation such as Poland) are treating corporate social responsibility as tentative measures to improve the image and gain new customers. Meanwhile, efficient use of CSR rules in the area of marketing requires planning these actions on the level of strategy integrating three functional areas: Marketing, Public Relations and Human Resources.

(Vanhamme, J. and Grobben, B, 2009) doesn’t state that companies are not supposed to invest in social activities. But, they recommend it is far better not to denote such good deeds in a crisis communication strategy when the claims are likely to be creating disbelief among customers, likely, when the involvement of company in CSR activities has been notably short. This clear ideology will definitely helpful for all the marketing practitioners when they develop or frame strategies of CSR communication for consumers.

(Tripathi .R and Singh .V .P, 2014) observed various ethical issues in Marketing and determines the following inference such as: Firstly, how widely the B-Schools are transferring the knowledge about the importance of Social responsibility and Ethics to the budding marketing managers. Secondly, how far the Indian practicing marketing managers has given importance to the subject ‘ethics’ and Finally, how well the operations of MNCs taking care
of the social responsibility and ethical aspects in their business in the developing countries like India.

4. INTEGRATION OF CSR INTO MARKETING AS A BUSINESS STRATEGY

While integrating CSR with marketing as a business strategy, there are two outcomes possible, the one is proper integration (i.e.) it may sounds like an ethically oriented approach to establish a clear responsible act up to the firm’s own social conscience which was aligned with suitable business strategy, then the outcome comprise of a good competitive advantage and a wealthy community development. The second possible approach is improper integration that means a well pictured outline of integrating the two broad categories that are not synchronized in a strategically and ethical manner, therefore the probable result for this approach is the negativities or contradiction such as leading to brand failure and negative publicity which is a reverse crisis.

5. RESEARCH METHODOLOGY

The researchers have utilized the secondary data as a source of information for the study. It is usually conducted to gain a more in-depth understanding of the causes related to the work. Literature review involves collecting and analyzing a sufficient array of information that enables the author to develop a conceptual research design that sticks to the focus and purpose of this review paper. Scholarly journals and articles support the idea and take the argument to next phase from which the information and result is derived.

Source: Researcher’s self framework

Figure 1 Process of Integrating CSR into Marketing – A Business strategy

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6. APPROACH OR STRATEGY FOR COMBINING CSR WITH OTHER FACTORS

Meeting the purposes of CSR mostly lay upon the factors within which it operates. In this paper we can see some combinations that are framed to execute the responsibility process such as the mixture of CSR and charity, CSR and principles, CSR and obligation, CSR and branding and finally CSR and sustainability as a Business strategy. And each combination has a specific outcome and fulfils the purpose of CSR by the company. If the desired outcome is not attained then there is a chance of misuse that leads to critics and accusations by the public and audience. Hence, an approach or strategy to align the CSR ideology with various factors to get its purpose unaltered is the need of the hour for brand image of companies.

In Toto, the approach that has an entire framework to enable the CSR activity for reaching its goal is needed. Every company should focus on implementing CSR into their marketing strategy while getting the purpose attained. Whether their strategy is philanthropic oriented, market oriented, ethical oriented, legal oriented and Socio-economic or environmental oriented, the combination of the mix with which CSR activities are hemmed in is important.

Often socially responsible activities are not connected with its purpose and the worst part is when is going in opposite direction, for which some types of firms become prey. There are three different approaches explained in Brand & Experience (2004, July 1) by Prophet, a consultancy group for integrating their CSR activities with their marketing strategies or activities.

i. The integrated approach: According to this approach, the both areas such as CSR and Brand are executed in a synchronized manner.

ii. The selective approach: In this approach, CSR exhibits itself in a certain focused ways. Therefore it is effective.

iii. The invisible approach: The last approach is that, CSR can play a necessary philosophical or strategic role in leading or guiding the company.

*Source:* Researcher’s self framework

**Figure 2** Combination of CSR with various factors as a Business portfolio

Many companies have also faced a lot of criticism for not rendering and fulfilling to its entire promises regarding brand such as the Shell brand is created around the points of accountability and openness. The story of shell is like any other common companies. To control such scenario, marketing department and their CSR counterparts must follow some key strategies which will boost up their success and their organization’s goals.
7. SOLUTIONS TO AVOID CONTRADICTIONS
As the previous reviews and examples explain, there are many ways to obtain a successful relation between brand building activities and CSR. The business constituting various stakeholders, should pronounce the ways and intensity of its CSR commitment and contribution.

Fairy all the companies who are promoting and undertaking initiatives of CSR must be aware of the benefits as well as the risks that come along with such activities. Therefore cooperative sustainable effort should be developed by both CSR and Marketing department that results in competitive advantage for the company. It is not enough to just think and talk about CSR but it has to be improved and implemented by consistent communications, actual business practices and customers’ experience in a systematic way. The following are the steps of solutions to avoid any contradictions, facilitating towards better business strategy.

- The CSR and brand image should be built on the foundation of firm’s business strategy. Moreover, all the promises vowed to be assisted by proper business evidence.
- The business strategy must be succeeded by business objectives identification that both brand and CSR are well matched and synchronized.
- Lastly, brand alignment should steer the notable CSR elements to be communicated to the core internal and external stakeholders to build CSR into the business strategy.

If organizations undertake these approaches and integrated their solutions and ensures that CSR be listed on the agenda of the marketing director, then expectations of stakeholder will be attained and CSR initiatives by the organization will achieve their desired outcome, such as to enhance successful businesses and brands. If not this commitment made by the organization, CSR will be looked as of another buzzword.

8. FINDINGS AND SUGGESTIONS
Marketing behaviors that are unethical will impediment the growth of a firm and this unfortunately could drive the companies to worse customer experience, legal troubles and bad reputation. Here are the points to remember while performing social activities as a market oriented strategy derived as findings from the study.

i. Always focus towards the long term positive impact than the short term gains due to the effect of responsible marketing which will undervalue any company if it is short sighted.

ii. A voice against the unethical profile of the company must be raised to speak up the reliable company policies that reflect morality and standards.

So as to maintain an ethically strong pattern of socially responsible behavior among market leaders while attaining objectives of the company, a distinctive care must be given to observe the emerging trends in society’s beliefs and values.

9. CONCLUSION
CSR is a critical construct to evaluate in this modern era because of its nature of invisibility and various dimensions. Socially responsible marketing that performs moral and legal actions will establish a good impact over the stakeholders of the company, including community, employees, consumers and shareholders in CSR’s most basic norm. Moreover, organizations are establishing an open face towards their CSR activity to the public which can also be called ‘transparency’. With increasing expectations of customer, it is more advisable to have a CSR
policy and strategy that considers the interests of the respective local environment and wider community. It may resemble like unimportant to formalize a specific policy for responsible business practice, but it will surely have effective advantages to the marketing activity and business as the technology grows up.

Companies nowadays understand that customers are opinionated. While keeping this in mind, organization must establish a CSR - Marketing plan that are ethically sound and apply it into all areas of the marketing mix for brand building and long – term sustainability of business.

REFERENCE


