

CSR – BRAND BUILDING OR A SOCIAL CAUSE? A PERCEPTUAL STUDY

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Abstract

Corporate Social Responsibility (CSR) is a form of corporate self – regulation integrated into a business model. The term “corporate social responsibility” became popular in the 1960s and has remained a term used indiscriminately by many cover legal and moral responsibility more narrowly construed.

CSR is a company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates. There are multiple ways for companies to express their citizenship. Some are through introducing waste and pollution reduction processes, contribution of educational and social programs, etc.

“CSR is commitment to poor not to profit” as rightly said by Mr. Manoj Bhargava, Co-founder – The Hans Foundation. In recent era, many different corporate are organizing different activities, events, etc under the flagship of CSR. Many multinational companies have forecasted CSR as brand building and further linking their corporate strategy with philanthropy.

To add on the list even Management Institutes (B Schools) are getting into the same trend and have started conducting CSR activities in their premises. It is very important to understand the reason behind conducting CSR activities. This paper talks about the perception of Students, Faculties and Top Management from the B Schools about the CSR activity conducted in the past. A big question arises is that, Are they looking for brand building or a real social cause through CSR?

Key words: CSR in B schools, Corporate Social Responsibility, Students Perception, Perception about CSR

1. Introduction

Corporate Social Responsibility (CSR) also called as corporate conscience, corporate citizenship or sustainable responsible business. All of them are a form of corporate self regulation integrated into business model. CSR policy functions as a self regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms. (1) Consumer Perspectives: Many studies have been conducted on consumer perspectives. Most consumers agree that while achieving business targets,

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companies should do CSR at the same time(2). According to many consumers, companies doing charity will receive a positive response(3). Somerville also found that consumers are loyal and willing to spend more on retailers that support charity. Not all CSR activities are attractive to consumers (4) as rightly said by Oppewal et al. (2006).

According to Becker – Olsen (2006), social initiative done by one company should be aligned to other company goals. If failed to do so, then it will have a negative impact. (5)

CSR has multiple approaches. But the most common approach is corporate philanthropy. This includes monetary donations and aid given to nonprofit organizations and communities. Donations are made in areas such as the education, health, arts, social welfare and the environment, among others, but excluding political contributions and commercial event sponsorships. (6)

CSR initiatives in corporate

Corporate success and social welfare are interdependent. This idea leads to CSV – Corporate Shared Value. It talks about the businesses that needs a healthy, educated workforce, sustainable resources and adapt government to compete effectively. Competitive and profitable businesses must be developed to thrive in society and should be supported to create income, wealth, tax revenues and philanthropy. The Harvard Business Review article Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility provided multiple examples of corporate that have developed their business strategies along with their CSR activities. According to CSV only two stakeholders are important – shareholders and consumers.

Many companies employ benchmarking to assess their CSR policy, implementation and effectiveness. Reviewing competitor initiatives and evaluation of those policies on society and the environment is also a part of benchmarking. It also helps others perceive competitor CSR strategy. (7)

Relation between CSR and Brand Building

CSR can help build customer loyalty based on distinctive ethical values, (8). Some companies use their commitment to CSR as their primary positioning tool. (9)

CSR methodologies are also used as a strategic tactic to gain public support for their presence in global markets. In return it helps them to sustain a competitive advantage by using their social contributions as another form of advertising.

“CSR is commitment to poor not to profit” as rightly said by Mr. Manoj Bhargava, Co-founder – The Hans Foundation. In recent era, many different corporate are organizing different activities, events, etc under the flagship of CSR. Many multinational companies have forecasted CSR as brand building and further linking their corporate strategy with philanthropy.

2. Literature Review

Researchers Chi-Shiun Lai, Chih-Jen Chiu, Chin-Fang Yang, Da-Chang Pai (2010) explore the following question. Can corporate social responsibility (CSR) and the corporate reputation of a firm lead to its brand equity in business-to-business (B2B) markets? This study discusses CSR from customers’ viewpoints by taking the sample of industrial purchasers from Taiwan small-medium enterprises. The aims of this study are to investigate: first, the effects of CSR and corporate reputation on industrial brand equity; second, the effects of CSR, corporate reputation, and brand equity on brand performance; and third, the mediating effects of corporate reputation and industrial brand equity on the relationship between CSR and brand performance. Empirical results support the study’s hypotheses and indicate that CSR and corporate reputation have positive effects on industrial brand equity and brand performance. In addition, corporate reputation and industrial brand equity partially mediate the relationship between CSR and brand performance.(10)

Michael Jay Polonsky, Colin Jevons, (2006) researched and found out that developing CSR requires intensive corporate commitment and failure to deliver on stakeholder expectations will result in reputational damage. It is essential to understand CSR issue complexity and to consider carefully CSR linked brand positioning. Basically, the implementation of CSR activities requires something substantial and communicable in the first place. The work suggests that by understanding the four components of issues complexity organizations will be in a better position to integrate CSR- related branding. Without understanding these issues, organisations may potentially unintentionally exaggerate claims or set themselves up to be criticised that they are unfairly exploiting consumers' interest in CSR issues. (11)

CSR has come a long way in India. From responsive activities to sustainable initiatives, corporate can be extended into corporate social responsibility action that builds the brand and formulate suitable corporate strategy to make a significant difference in the society and improve the overall quality of life. (Vikas saraf, Sulekha Singhai, Sanjay Payasi) (12)

Xiaoli Nan, Kwangjun Heo (2007) carried out an experimental research. This study demonstrated an advertisement with an embedded Cause-Related Marketing (CRM) message, compared with a similar one without a CRM message, elicits more favourable consumer attitude toward the company. This is so regardless of the level of fit between the sponsoring brand and the social cause. Furthermore, when the embedded CRM message involves high versus low brand/cause fit, consumer attitudes toward the ad and the brand are more favorable. Such positive effect of brand/cause fit, however, only emerges for consumers who are high in brand consciousness; for those who are low in brand consciousness, brand/cause fit has no impact on ad or brand evaluations.(13)

3. Problem Statement

Studying the above results from Literature Review certain gaps were noticed. Many researchers have studied different areas related to Corporate Social Responsibility (CSR). The area related to CSR and Education institute was still to be studied. Here this research has focused on CSR activities organized by Management Institutes i.e., B Schools. This paper talks about the students perception in regards to the activities organized.

4. Objectives

- To study the relationship between purpose of management in organizing CSR activities and students attitude towards its implementation as per students' perception.
- To study the relationship between purpose of management in organizing CSR activities and the target group for which the activity is planned for implementation as per students' perception.

5. Hypothesis

1st Set:

H₀: There is no correlation between management motivation in organizing CSR activities and perception of the students about the implementation of CSR activities

H₁: There is a strong correlation between management motivation in organizing CSR activities and perception of the students about the implementation of CSR activities.

2nd Set:

H₀: There is no correlation between management motivation in organizing CSR activities and target group for which the activity is planned as per students' perception.

H₁: There is strong correlation between management motivation in organizing CSR activities and target group for which the activity is planned as per students' perception.

6. Research Methodology

The researcher contacted the respondents personally with a well – prepared sequentially arranged questionnaire. The questionnaire was divided into two parts. Part one is respondents profile and Part two was the main survey.

6.1 Primary Data

Primary data was collected randomly through the structured questionnaire in Navi Mumbai and Mumbai colleges using convenience based random sampling. This sampling method is the least expensive and least time consuming of all sampling technique. The data was collected from a questionnaire that was administered face – to – face to students.

6.2 Sample Size

The study was limited to those participants who willingly elected to complete the instruments in their entirety. There were a total of 283 respondents.

6.3 Sample Design

The researcher relied upon convenience based random sampling technique, considering the research methodology and research type as per guidelines. A caution was exercised during the study that the respondents who did not show inclination to be a part of the study were not covered. An attempt was made to maximize homogeneity between participants; a requirement of the sample was that all participants were the students of the Management degree program.

6.4 Secondary Data

The secondary information or data was collected from published sources such as journals, magazines, newspapers, government reports, internet and other sources.

6.5 Research Instruments

A summated closed end questionnaire was used with different viewpoints of customers. In this questionnaire, all the questions were positively framed to study the impact of independent variables like age, gender and profession on the dependent variable.

6.6 Statistical Analysis

Efficient and effective data analysis is the result of effective data preparation. This was found to be very crucial between the completion of the field work and the statistical processing of the collected data. Data preparation involved transferring the questionnaire into an electronic format which allowed and

facilitated subsequent data processing. Data sheet was prepared directly at Statistical Program for Social Sciences (SPSS) software for further analysis. Code was assigned to each response for data entry and data record. Transcribed data sheet was prepared for data analysis. On the basis of data sheet, tables and graphs were prepared for the analysis.

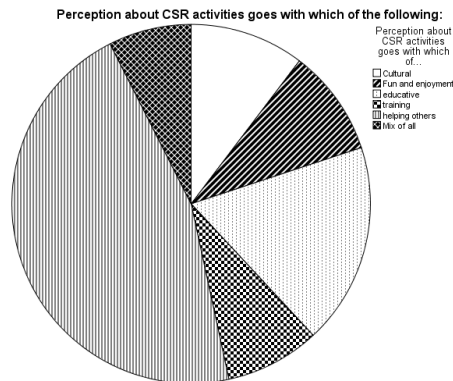
7. Limitations

- Time constraint
- Mumbai and Navi Mumbai B schools were only approached
- Only students were approached.
- Management and academicians’ research was restricted.

8. Data Analysis

Students’ Perception about CSR activities

		Frequency	Percent	Valid Percent
Valid	Cultural	29	10.2	10.3
	Fun and enjoyment	27	9.5	9.6
	educative	51	18.0	18.1
	training	24	8.5	8.5
	helping others	129	45.6	45.9
	Mix of all	21	7.4	7.5
Missing	Total	281	99.3	100.0
	System	2	.7	
Total		283	100.0	



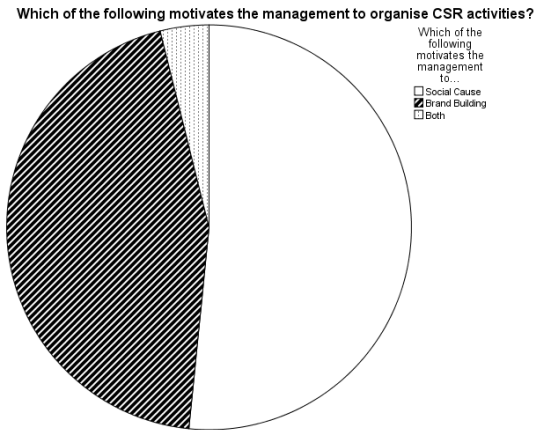
Students of B schools mainly understand CSR in a much better way. Students have experienced activities like free dental check up camp, rose plantation, cleanliness drive, blood donation, etc. About 46% students’ feel the activities’ are mainly plan for helping others, 18% students’ feel the educative drive, where they get to learn a lot in terms of knowledge, training, experience, etc.

About 20% respondents felt that the activities are cultural oriented with fun and entertainment. Out of all respondents there were 7-10% who felt the activities were combination of all.

Management Motivation to organize CSR activities (as per students' perception)

Which of the following motivates the management to organise CSR activities?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Social Cause	146	51.6	51.6
	Brand Building	126	44.5	96.1
	Both	11	3.9	100.0
	Total	283	100.0	100.0



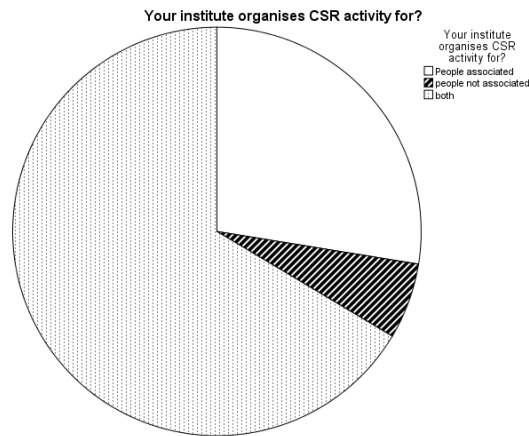
As per the respondents', researcher has studied educational institutes organizes the CSR activities for social cause with 52%. There is thin line difference of perception for brand building with 44%. Only 4% respondents felt the activities are planned for both the purpose ie., Brand building as well as social cause. Respondents felt that banners and posters displayed at the venue

was the drive of brand building.

Target group for CSR activities

Your institute organizes CSR activity for?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	People associated	78	27.6	27.6
	people not associated	17	6.0	33.6
	Both	188	66.4	100.0
	Total	283	100.0	100.0



CSR activities organized by any company or institute are basically aimed for two types of people. One who is the member of the same company or institute and second for the one associated outside i.e., non member. According to the respondents institutes organizes the CSR activities has majorly i.e., 67% focused on both the categories i.e., people associated as well as people

not associated. Besides 28% respondents felt that the activities were for the same group people i.e., people associated with the institute.

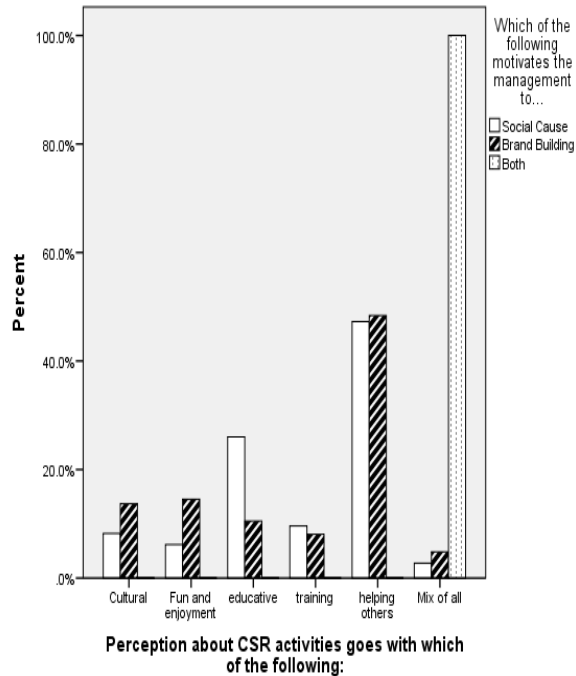
1st Set of Hypothesis: Relationship between management motivation in organizing CSR activities and perception of the students about the implementation of CSR activities.

Chi Square Test Statistics

	Perception about CSR activities goes with which of the following:	Which of the following motivates the management to organise CSR activities?
Chi-Square	185.100 ^a	112.544 ^b
df	5	2
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 46.8.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 94.3.



Respondents' who felt that CSR activities is combination of cultural, fun, enjoyment, entertainment, etc. experiences that the activities are socially associated as well as done for brand building. Overall there are only 7% respondents' who have this view of point.

Respondents' who felt that these activities are for helping others, here 50% of them felt it was socially related and other 50% felt it

was for brand building. According to them the banners, posters, write ups on brochures, in house newsletter, etc. are a part of brand building. Among Educative criteria respondents' Maximum felt that the activities were for social cause.

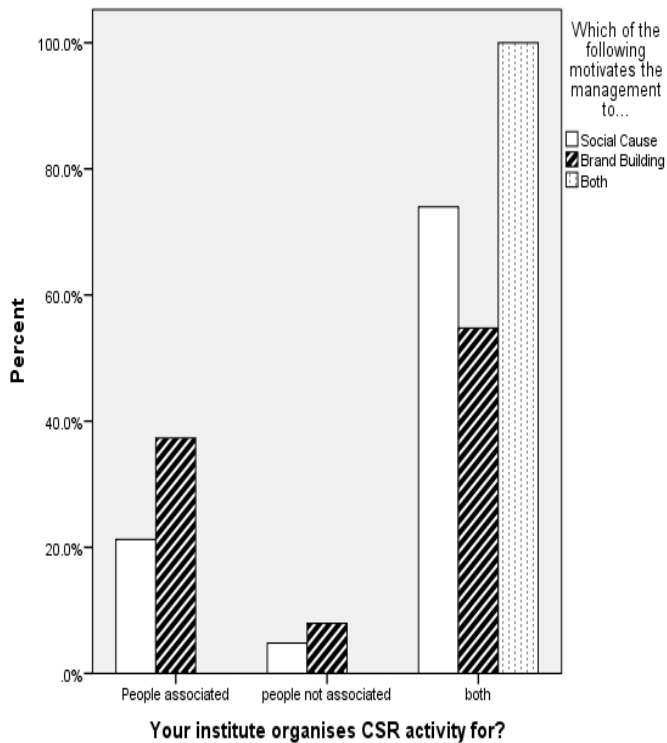
Hence, the Null hypothesis is rejected as there is a strong relation between Management motivation for conducting CSR activities and the students' perception of these activities when implemented.

2nd Set of Hypothesis: Relationship between management motivation in organizing CSR activities and target group for which the activity is planned as per students' perception.

Test Statistics

	Which of the following motivates the management to organise CSR activities?	Your institute organises CSR activity for?
Chi-Square	112.544 ^a	159.230 ^a
df	2	2
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 94.3.



Among the respondents who felt that these activities are for both i.e., people associated and people not associated; maximum felt that management's main motive is to build the brand as well as cause fit marketing. Cause Related Marketing has played a very important role in industry. It is also emerging in B schools and also in other areas of Education industry. Education industry is one of the main industries which had never faced recession. But recently due

to increase in competition and also many different options, it has also started facing a downturn. Especially B schools, who has faced poor admissions from last few years. Here the needs have emerged for them to publicize and promote their institute. Mainly it is done for brand building and creating awareness about the institute. Therefore, management decides to mention about these activities on admission brochure, placement brochure, newsletters, marketing videos, etc.

Hence, Null hypothesis gets rejected as there is a strong relation between Management motivation for conducting CSR activities and the target group for whom the activities are planned as per students' perception.

9. Suggestions

As per the research conducted, it is suggested that management institutes should organize the CSR activities, but before that they should provide the guest speakers to the students. Perception of the students is way different from reality. Also management institutes should organize these activities more for outsiders i.e., people not associated with them.

10. Conclusion

Corporate investments in cause related marketing in recent years have been considerable and are still on the rise. The increasing popularity of CSR calls for systematic research that could potentially provide managerial guidance. The same managerial guidance should also be taught to the management students', which will help them to make decisions. This in future will help them to be corporate decision marketers as well as non profit organisational leaders.

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