



## The Role of Corporate Social Responsibility as a Marketing Strategy

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### Abstract

Over the years, social responsibility has shown itself to be a valuable link in the company's business strategy. As a result, the world's leading companies spend millions every year on CSR and other philanthropic activities. A socially responsible company shows that it cares about the community and prioritizes the well-being of the community. Businesses play an important role in society, regardless of whether they generate income. Corporate social responsibility is the concept that we should care about everything we do and not just profit. With concerns about the environment and society as a whole, the government obliges companies to spend a portion of their profits for social purposes. While some companies see it as external pressure, others use it as a strategy to create a positive brand image. Good job marketing is very important from a company's point of view because it attracts people's attention. Today's consumers are increasingly concerned about social, environmental and global issues, and their purchasing decisions are inevitably influenced by such issues. Therefore, there is a great desire to buy from companies that care about society and their actions show their seriousness for various problems that require attention.

**Key Words:** Corporate Social Responsibility, Marketing, Consumer Attention, Environment, Society.

### PAPER/ARTICLE INFO

RECEIVED ON: 23/11/2022

ACCEPTED ON: 21/12/2022

Reference to this paper should be made as follows:

Yadav, S.K.S. & Siddhu, Vaishali (2022), "The Role of Corporate Social Responsibility as a Marketing Strategy", *International Journal of Trade and Commerce-IIARTC*, Vol. 11, No. 2, pp: 485-492.

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DOI: 10.46333/ijtc/11/2/14

## 1. INTRODUCTION

Business is much more than just selling goods and earning profit. Corporate Social Responsibility is among those activities which a business does apart from earning profit. The term “social responsibility” is not new in corporate world. Social responsibility refers to individuals and companies must act in a manner that benefits their environment and society at large. When social responsibility is applied in business, it is known as Corporate Social Responsibility. This has become a more vital area of focus within business spectrum because of changing social norm. Socially responsible organizations implement strategy that promotes the welfare of society and the environment at the same time which reduces the negative impact on them. Social responsibility has become slowly but surely more significant to investors and consumers who look for investments that are not just money-making but also add to the betterment of the environment and society. *The European Union* defined CSR as “The voluntary integration of companies’ social and ecological concerns into their business activities and their relationships with their stakeholders. Being socially responsible means not only fully satisfying the applicable legal obligations but also going beyond and investing ‘more’ in human capital, the environment, and stakeholder relations.”

According to **International Organization for Standardization (ISO) 26000** “The responsibility of an organization for the impacts of its decisions and activities on society and the environment, resulting in ethical behavior and transparency which contributes to sustainable development, including the health and well-being of society; takes into account the expectations of stakeholders; complies with current laws and is consistent with international standards of behavior; and is integrated throughout the organization and implemented in its relations.”

Before the passage of the Companies Act in 2013, corporate social responsibility in India was traditionally considered philanthropy. Also, according to Indian social practices, it is considered a moral responsibility for every company to play an active role in fulfilling its social obligations depending on the company's financial position. In the early 1990s, Mahatma Gandhi developed the idea of trust to help with social and economic development. CSR is influenced by social values, traditions, culture, beliefs and needs. The new Companies Act in India was the first piece of legislation in the world to mandate the obligatory adoption of corporate social responsibility (CSR) activities as well as the reporting of CSR initiatives. A brand new era has just begun for corporate social responsibility in India. The Companies Act, 2013, Ministry of Corporate Affairs: Companies Act, 2013, Government of India has taken one of the biggest socio-economic steps to make CSR mandatory. project for welfare measures. So far, India is the only country that regulates and mandates CSR for companies registered under the Act. These CSR initiatives will go a long way towards the Sustainable Development Goals and public-private partnerships in renewing India.

## 2. CSR AS MARKETING STRATEGY

Corporate social responsibility (CSR) is receiving greater than ever attention, particularly in recent decades. CSR is a self-regulatory business concept that helps companies improve their social image and brand image. Using clean practices in the business environment promotes a positive brand image as a socially responsible company. CSR is considered a way for a company

to achieve balanced economic, social and environmental goals while addressing the needs of various stakeholders of the company. Marketers are faced with the challenge of connecting and communicating the thoughts, feelings, expectations, beliefs, sensitivities and opinions of customers and brands in a positive way (Keller, 2007). Creating a positive brand image is difficult and is created through the messages received about a particular brand. When customers feel connected to the flow of brand messages, brand relationships develop and create a positive impression in the customer's mind. However, it depends on the customer's perception whether this brand message contributes positively to the brand image. Determine whether CSR activities are perceived by customers or not (Grönroos, 2007). When meeting the expectations for the intangible and tangible elements of the service, it is important to satisfy the social values that are considered important by the customers (Popoli, 2011).

In this era marketers are alert about the fact that not only environmental organizations are attentive towards corporate social responsibility activities but a large number of customers, shareholders, employees, government are also very serious about that. Stephen Chen, Petra Bouvain observed in their study that "Corporate Social Responsibility ranking of the firm is greatly influenced by CSR activities of the firm and its brand image. Consumers are not willing to purchase the products and services from the companies businesses which are not engaged in socially and ethically responsible activities". Business leaders in the UK and Bulgaria think that CSR initiatives are a great way to boost their company's standing in the community. Various studies show that British company managers believe that the CSR activities carried out by companies maintain their 'market position' and 'brand'. When consumers perceive a significant level of risk in acquiring a product or using a service, corporate reputation can also be referred to as corporate or brand image. Companies with a stronger emphasis on philanthropic duty are viewed more favourably by consumers than those who engage in sponsorship and related marketing.

According to Curras (2009) trust on the brand impacts the satisfaction level of the customers, and similarly satisfaction of the brand impacts the attractiveness of the brand. There are three things which CSR activities do in particular those are:

- Influences thoughts
- Growing brand magnetism
- Boost customer conviction

CSR influence the interest of stakeholders in buying a product and make stronger its relationship with an organization (Sen et al., 2006). When a firm conducts CSR activities, there are various relationships of a single individual with the organization. A single individual can be a customer and employee of the organization all at once. The relationship between customer and an organization can be enhanced through CSR activities but companies perceive that customers do not regard as ethical and social practices important. Because of this reason, they put hard work for increasing profits. In many cases, consumers actually buy Tata products, not only for the reason that they are evaluating the quality at a rational level, but because of their supreme trust and belief in what the Tata name stands for. According to the findings of a recent survey, the

corporate giant Reliance Industries together with two Tata Group companies, namely Tata Motors and Tata Steel, have emerged as the nation's preferred corporations for CSR activities.

If you've been on social media a few times, you've probably seen brands discussing new ethical products and how they will help not only you, but society as a whole. This is an example of CSR marketing.

It is no coincidence that we see more CSR in social media, and like marketing. Consumers are more likely to buy from brands that are actively involved in global issues and contribute to the improvement of society, and as a result, corporations make greater efforts to demonstrate their CSR initiatives.

### **3. WAYS TO USE CSR AS MARKETING STRATEGY**

By aligning corporate social responsibility to their brand, businesses can use it as a marketing tactic. The marketing strategies of many businesses now include components of social responsibility in an effort to provide social benefit through their offerings. Another effective marketing strategy is philanthropy. NIELSEN found that 66 percent of consumers are willing to pay more for products from firms that exhibit social responsibility after polling consumers in 60 different nations.

### **4. CONNECT TO THE VALUES OF COMPANY**

While CSR was once seen as a secondary approach to improve business performance and authenticity, today's best CSR initiatives are aligned with the brand and central to the operational strategy. Integrating CSR into business strategy is a best practice, as demonstrated by 181 CEOs from brands such as Amazon, Citigroup, and Ford who signed up to the latest Roundtable program to "lead the way for the benefit of all companies." stakeholders - customers, employees, suppliers, communities and shareholders. "Aligning your CSR strategy with your brand, core competencies and operational strategy will be different for every company.

### **5. GET PERSPECTIVE OF YOUR DIFFERENT STAKEHOLDERS**

You should develop a strategic plan for CSR that is inspired by the concerns of your customers, employees and community members. You can also look for inspiration from what works for other brands. Here are some methods:

### **6. CUSTOMER POLL**

Creating a CSR strategy is a great reason to connect with your customer base. Create a short, easy survey to collect the following information:

- What environmental and social issues are important to your customers?

Plan your options based on your brand. For instance, if you sell personal care products, are customers more interested in your sustainability, your supply chain, your commitment to labor and human rights, or your donations to children in need? Focused questions will lead to more effective results.

- What do customers know about your latest donations and initiatives?

How do you know about past or current CSR programs you work with? Are your startups successful?

- How do customers feel associated with your brand?

This is indeed a good opportunity to gather information about your business reputation that can affect your new CSR strategy.

To increase engagement, consider offering incentives to customers who complete your surveys, such as discounts, gift certificates, or lucky draws.

#### **7. COLLECT EMPLOYEE OPINIONS**

Your CSR strategy cannot work without your employees. Start by identifying the needs of your employees and use that information to create an overall strategy.

Surveys that combine multiple choice and open-ended questions are a great way to gather this important information. For example, for a personal care products company, you can choose an employee to open one of three volunteer opportunities related to the brand. This will help you get the targeted information you need, as well as help employees feel heard and valued.

#### **8. EVALUATE COMMUNITY NEEDS**

The type of "community" is different for every business. The first step to building partnerships for the success of your CSR program is to spend time researching and learning what your community needs and wants.

#### **9. BORROW SUCCESSFUL STRATEGY**

Your CSR strategy should not waste time trying to do something that has already been done successfully. Spending time researching where other businesses have been successful in sustainability, philanthropy, and employee engagement will help you. Don't be afraid to copy: your strategy will be unique because your brand is unique and the people you like and listen to.

Some companies have linked their CSR activities with the 17 Sustainable Development Goals (SDGs) of the United Nations, including issues related to poverty, hunger, education, gender equality and climate change. For example, Chevron's corporate sustainability program clearly shows how the company addresses each SDG, and includes an SDG index in the Target 2020 Corporate Social Responsibility Report.

#### **10. MAKE INTERNAL PROCUREMENT**

Your team's support, dedication, and commitment will be necessary for your social responsibility program to succeed. Put employees at the forefront of the strategy process with immediate feedback and inclusion.

#### **11. LEARN, RESPOND AND IMPROVE**

There is always room for improvement in the world of CSR because CSR is all about people and dynamic people. Our needs change and so does the world we live in.

Accordingly, your CSR strategy will not be possible without a plan to explore, refine and develop, or as Global Giving puts it, 'Listen, Do, Learn, Repeat'.

## **12. DISCUSSION**

Key conceptions of CSR in India and the position that firms define in society were identified in a study undertaken by the Confederation of Indian Industry (2002) in partnership with the United Nations Development Programme, the British Council, and PricewaterhouseCoopers (PwC). Findings suggest that the primary reasons for companies to participate in CSR are to improve their reputation and to do good in the community.

Edenkamp (2002) says that "Consumers consider switching to another company's products and services, speak out against the company to family/friends, refuse to invest in that company's stock, refuse to work at the company and boycott the company's products and services in case of negative corporate citizenship behaviors".

According to Harish Bijoor "The modern consumer understands CSR that much more intimately. The future of marketing is full of CSR."

Edenkamp in his study found that, "Only firms that have gained the goodwill of the general public and are ideal corporate citizens will be to develop these intangible assets into strategic advantages."

According to Mark Choueke, "Corporate social responsibility is unarguably the most important thing on any brand marketer's mind. It's important because studies increasingly show that consumers will spend their money on brands that reflect their values and concerns."

Scott Beaudoin in his study found that "CSR practically has the same effects as advertisements, because it sheds a positive light on a brand or product. That is why CSR can also be seen as an expression of marketing. By including the brand name in social responsible campaigns, brand awareness and brand recognition are raised. It's clear that the concepts of value and values are rapidly merging in the minds of consumers. People want to be engaged with companies that share their values". Based on established theories in the fields of corporate marketing and CSR, this research develops an identity-centric framework for describing CSR. This establishes CSR as an excellent management tool for fostering harmony between different parts of a business (such as its internal and external components) and, ultimately, substantial gains for the enterprise.

Zain Noori Ismael in his study found that "Implementing CSR activities that are related to products, jobs, communities, and the environment can improve a brand's image and the quality with which consumers view the company. CSR can add value to a company by sending a message about the quality of its products. As a result of the halo effect, such signals of product excellence have the potential to spread to other areas of the company. Therefore, businesses that engage in socially responsible practices can be perceived as brands that provide high-quality goods and services, and CSR activities have the potential to improve the overall image of a company's brand".

## **13. CONCLUSION**

The simple evolution of the definition of marketing and its application to the business world and its conceptual and practical relationship to CSR shows that the discipline is important and common in society. The public is now more educated and attentive to issues of corporate social responsibility and business behaviour. Socially conscious advertising practises are another aspect of CSR. A product may be labelled "green" if it contains recycled materials or if a portion of the

sale price will go to a good cause. Community service is a win-win for both the local community and the small business that provides the service. The public's opinion of a firm can improve when it engages in socially responsible actions. Companies are now considered corporate citizens. Buyers give serious consideration to social and environmental causes while making purchases. To succeed in the modern business environment, it is not enough to prioritise cash flow. However, it is also important to incorporate social projects and higher standards in order to boost the company's image as a decent corporate citizen. Sustainability is a voluntary commitment to the company's work. This demonstrates the company's commitment to and engagement with issues of social and environmental significance. This worldwide shift towards integrating CSR with bottom-line concerns has prompted a reevaluation of traditional business concepts and practises.

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**INSTITUTIONS**

- [1] Confederation of Indian Industry
- [2] International Organization for Standardization-26000
- [3] Nielsen Global Survey
- [4] The European Union

**COMPANIES**

- [1] Reliance
- [2] TATA