Corporate Social Responsibility and Corporate Associations: 
The Interrelations between CSR and Corporate & Brand Identity 
as a Challenge for Strategic Marketing

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Introduction, Background and Ideas for Discussion

The old concept of corporate social responsibility (CSR) has received a lot of attention in the last years; especially in the US. Some times one gets the impression that an old magic formula with various impacts on companies’ success is now rediscovered. CSR could not only influence public opinion, it also has a direct impact on consumer willingness to buy the products, the investors willingness to buy/hold the stocks, the young professionals to work in the company etc.

The story is really not new. Going back in time, we always find a lot of studies who have shown a positive relationship between CSR and the success of companies. But we always have had around the same amount of studies that didn’t show such a relationship – sometimes even did show a negative relationship. And having a closer look on the different studies in the past one comes to the result that at least the “qualitative majority” of studies didn’t show the (positive) relationship. For the eighties and before for instance Aupperle et al. (1985) came to such a result: “Although many studies concluded that a relationship existed, those studies that appeared to be most methodologically sound did not reach that conclusion” (p. 460).

Have things really changed today? At least a first glance on current studies leaves one behind with a lot of methodological questions. Additionally, we also have some empirical evidence (at least for Germany) that sometimes several CSR concepts realized by companies do not only have no impact on corporate success, they furthermore have a lot of negative consequences.
Nevertheless, on the other hand I think it is a big chance for society, if CSR and companies’ goal attainment could go hand in hand. So we have to look for those conditions and approaches that allow to draw a lot of positive effects for a company’s strategic position, and to reduce possible risks on the other hand.

To develop a fruitful approach of managing CSR we should take into account, that two of the most important linking pins between CSR and corporate success are corporate reputation and brand equity. So following a marketing-based view of CSR we should always enforce an accurate SWOT analysis that centers on the complex interrelations between CSR as well as corporate and brand associations, respectively Corporate Identity (CI) and Brand Identity (BI). And our experiences in different case studies give at first reasons to believe that the fit between CSR, CI and BI is one of the most important success factors along which a company should plan its CSR program. Based on this fit well managed CSR programs could then play a very important role in building corporate reputation and brand equity. But on the other side CSR programs which are not well coordinated with the companies’ situation may have an extremely negative impact. So we are in a high chance/high risk situation, which makes a non-superficial planning process necessary.

In my presentation I address mainly three things:

1. results of studies, we’ve realized together with different companies which allow to illustrate the high chance/high risk situation companies do face in the CSR case.
2. the possibilities of a SWOT analysis, which centers on the interrelations between CSR, CI and BI, and – based on that – sketch some approaches of a sustainable CSR management from a marketing-based perspective.
3. possible future research on a international level as a basis to ensure sustainable success of CSR programs in building corporate reputation and brand equity.
**Some Experiences from Case Studies in Germany**

In our case studies we’ve found for instance a lot of company indebted problems which led to severe negative impacts on corporate reputation and brand equity. One problem is for example that companies didn’t choose the right CSR topic: Sometimes the topic didn’t fit to the stakeholders’ expectations; and this led to the perception that the company tried to realize an “evasive strategy” to distract from other serious problems. Another negative CSR association was found, when the topic wasn’t on the current public agenda, e.g. had no topicality: and either was perceived as “old fashioned” or was touched too early, before it made sense to anybody.

In other cases the topic was well chosen, but the companies didn’t take into account that it is also very important what kind of CSR concept is chosen and how it is implemented. For instance, in some cases the companies did only follow public pressure; and such a “reactive approach” led to negative associations, although the CSR topic was highly appreciated. In other cases the at first positive associations changed into negative associations, because the stakeholders did expect a progress in solving a social problem, and after a while had to notice that CSR measures haven’t brought too much in this sense. In a dynamic view another problem comes from the growing aspiration levels of stakeholders – after a while they get used to the CSR performance and expect more and more (see additionally also the results of the Brown/Dacin studies presented in JoM 1997). And it really seems that there is some kind of “more-and-more rule” which brings companies very quickly in a “magic-apprentice”-situation.

Also the missing fit between a CSR programs and CI or BI always caused a lot of negative associations. For instance we found that companies that do not have a good financial performance don’t score positively with CSR programs. In this situation CSR programs sometimes have led to the suspicion that the company wants to conceal something or isn’t able to evaluate their necessities. Negative associations were also found when the companies did not have a high reputation concerning their workplace environment and their products & services, but did spend a lot of money for social causes.
Easily the list of “traps”, companies can fall into, could be extended. We really discovered a lot of CSR risks. On the other hand we also found some positive case studies, were companies could manage to profit from their CSR programs and realized a good investment in building corporate reputation and brand equity. Those cases give reasons to believe that CSR programs could be planned to be very efficient and effective in reaching corporate goals if they use the bridge of building corporate reputation and brand equity. This is also a reason, why our CSR management approach draws a close link to those strategic marketing topics.

A Strategic Marketing-based View of CSR

CSR must be integrated in a comprehensive marketing management approach – referring to a normative, strategic and operative management level. In the planned presentation I only want to touch some points of the strategic marketing management level.

On the “seam-position” between the normative and strategic level we have first of all to deal with the question of “Defining the CSR Business Profile” and “Defining the CSR Business Mission”. With reference to identified CSR risks & chances it seems to be necessary to broaden the approach of defining the CSR business. Not only the question has to be asked, in which fields of social responsibility the company should get engaged (“CSR topics”), and how strong. Additionally to this “CSR Content” we have to ask for the “CSR Concept”, “CSR Communication” and “CSR Controlling” (4 C-approach). The CSR concept has for instance to do with the question, if and to what extend a company only reacts on public pressure or acts very visionary, or if a company only spends money or really tries to solve problems with all means etc. CSR communication stresses on the overall communication approach: messages, media, intensity, and the way and amount of integration into corporate communications. Last but not least in the case of CSR controlling we ask for the way in which the CSR program is implemented, and developed over the time etc.

The starting point of a strategic CSR planning process is now to identify the proper alternatives along the 4C’s. This is a problem of producing ideas based on creativity techniques, and then executing a comprehensive SWOT analysis, which stresses for example on the assessment of a) the CSR planning approach and CSR business profile, b) the perceptions and interpretations on different levels and within different stakeholder groups, c)
the situational conditions, d) the Corporate Identity & Reputation irradiation effects, and e) the Brand Identity & Equity irradiation effects. The planned presentation will get absorbed in discussing some selected techniques to analyze especially the irradiation effects between CSR programs and corporate reputation as well as brand equity. Some of these techniques are well elaborated and already used in different case studies; but some are also only in the stage of first ideas and sketches. Especially the latter should be of interest for the CIARG working group meetings in future:

1. The concept of a “semantic into depth analysis” which tries to look for the irradiation effects not only on a surface level. The necessity of such an analysis could be illustrated with the help of the following example:

I think it is very superficial to state that it is a favorable link between AVON Company and the fight against breast cancer – this hypothesis goes back on Bhattacharya (professor of marketing at the Boston University – cited on the website of the Center for Corporate Citizenship at Boston College). And in more detail it is said: “Any consumer or stakeholder can comprehend the link between AVON (products for women) and breast cancer. By associating itself with the fight against breast cancer, AVON aligns itself with a cause that’s important to its target consumer audience. As a result AVON brand garners goodwill from customers, who perceive AVON as a socially responsible company.” In one of our studies we also could find this result, but going into depth we also found negative associations with such an engagement: The brand looses emotional attraction, because of the association with a very dangerous disease. And especially customer groups who tend to repress cognitive dissonances did show an interest of avoiding any contact with all institutions who have to do something with that topic, although those institutions had a very good reputation in this group (possibly because of the associated relief).

2. The concept of a “need & value fit analysis” which centers on the hypothesis that the better the fit between the need & value system of CSR programs, brands, and also the different customer groups, the more sustainable, effective and efficient the impacts. To illustrate this concept several case studies could be provided.

3. The concept of a “RQ scoring analysis” which uses the Reputation Quotient concept developed by Fombrun et al. (see for example Fombrun/van Riel 2004) and the results of different empirical studies to organize workshop group discussions.

Along with the presentation of these concepts a lot of experiences and empirical evidence are provided. In another step this basis will be used to draft some consequences for CSR implementation strategies (stakeholder segmentation, positioning, branding etc.) as well as for developing an integrated concept of marketing communication (IMC).
CSR and Corporate & Brand Identity – The analysis of interrelated associations as a research program

The discussion of the different approaches, frameworks and experiences might lead to the idea of a joint research program on the axis of the US and Europe. Building up a data base of CSR associations, CSR/Brand associations with the help of stakeholder surveys in different countries would be of great interest for international marketers. In case some members of the CIARG are interested I could structure the discussion of developing a corresponding research program.

Some concluding Remarks from a Practitioners Perspective

- Take CSR as a very serious challenge!
- Either be authentic (and do what you think you have to do), or implement a really professional management process.
- I would build on a creativity based search for excellent opportunities and differentiated SWOT-Analyses.
- The specific situational conditions always have to be taken into account – and also again: don't imitate – innovate!
- Never look only or the effects at the surface, a professional CSR management has always to go into depth.
- The interrelationships between CSR and Corporate & Brand Identity are very diverse – so go for the chances, and avoid unnecessary risk taking.
- An Integrated Marketing Approach is the most important prerequisite for realizing sustainable success.
- There is nothing good - as long as you wouldn't have had got started.