

Anita Proszowska Ph. D.
AGH University of Science and Technology in Krakow
30th Mickiewicz Av.
30-059 Krakow
Poland
tel. +48 693327234
aproszow@zarz.agh.edu.pl

Prospects For the Development of Corporate Social Responsibility in the Era of Marketing 3.0

Abstract

A natural consequence of the increasing popularity of enterprise holistic market orientation is to increase their social, outside business activities.

The purpose of this article is to present the development prospects of corporate social responsibility (CSR) strategy in the era of changes occurring in the market orientation of today's businesses. Conclusions of this paper are based on case studies carried out by the author of the article. The prevalence of the presence of CSR in today's corporate strategy forces them to constantly improve standards in this area. CSR becomes an integral part of the corporate strategy as important and sometimes even more important than the product range. The growing popularity of CSR ideas results in a number of different self-regulations implemented by individual companies, which then become the standards for the operation for entire sectors.

PROSZOWSKA A., "Prospects For the Development of Corporate Social Responsibility in the Era of Marketing 3.0", *Proceedings International Marketing Trends Conference 2015*.

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Key Words: corporate social responsibility, marketing 3.0, modern marketing.

1. Introduction and Objectives

Marketing development observed in the form of such trends as marketing 3.0, or holistic marketing changes today's realities and approach to business. An approach to corporate social responsibility strategy is also changing .

The purpose of this article is to present the development prospects of corporate social responsibility strategy in the era of changes occurring in the market orientation of today's businesses.

The work is based on extensive literature studies, analysis of findings available in secondary sources and case studies carried out by the author of the article.

2. Corporate Social Responsibility (CSR) In The Modern Concept of Marketing – Literature Review

Holistic marketing orientation is based on such a development, design and implementation of marketing programs, processes and activities that take into account a broad view and the market interdependence of the enterprise¹. Companies are forced to look at their business as a part of the wider economy and society, that is present in the lives of their clients². In the holistic meaning of marketing it is stressed that it is a set of activities in which everything has meaning³. Improving the company's offer is by far no longer sufficient to differentiate itself on the market. Taking this into account in activities of the company ultimately strengthens its brand⁴. For today's consumer it is increasingly obvious that the purchased product meets his needs in terms of its functionality and emotional value⁵. He expects, however, something more – spiritual fulfillment. The implementation by the enterprises of marketing concept 3.0 contributes to the improvement of the world in which the consumer lives⁶. One of the components of the holistic market orientation of the company is marketing of achievements⁷ that requires understanding the essence of financial and non-financial effects of what marketing activities bring for business and society. More and more often today the legal, ethical, social and environmental impacts of actions and marketing programs are being examined. It should be remembered that with the rapidly increasing access to information, the evaluation is carried out not only by industry specialists but all consumers. The

¹ Kotler, P., & Keller, K. L. (2012). *Marketing*. Poznań: Rebis, page 31.

² <http://www.businessdictionary.com/definition/holistic-marketing.html>; [access: 20 August 2014].

³ <http://www.businessdictionary.com/definition/holistic-marketing.html>; [access: 20 August 2014].

⁴ Tarczydło, B. (2013). *Metodyka kształtowania wizerunku marki* [Methodology of shaping the brand image] Kraków: Wydawnictwa AGH, pages 118-119.

⁵ <https://managementmania.com/en/holistic-marketing-concept>; [access: 20 August 2014].

⁶ Kotler, P., Kartajaya, H., & Setiawan, I. (2010). *Marketing 3.0. Dobry produkt? Zadowolony klient? Spełniony człowiek!* [Marketing 3.0. Good Product? Happy Customer? Met a Man! Warszawa: MT Biznes, page 11.

⁷ Kotler, P., & Keller, K. L. (2011). *Marketing Management*. Fourteenth Edition, New York: Prentice Hall, page 21.

effects of the company's activities reverberate through the broad market and the information on this subject in a completely uncontrolled way wander among all market participants⁸. Therefore, comprehensive and continuous development of the achievements of the company becomes increasingly important.

With the development of communication technology, customers have an excellent chance of verifying the declaration of the enterprises included in the mission and vision and those appearing on the PR level, with real actions. Greater awareness of the market requires an emphasis on spirituality and culture and more intensive cooperation with recipients⁹.

A natural consequence of the increasing popularity of enterprise holistic market orientation is to increase their social, outside business activities. In the context of today's market, firms have a number of opportunities to pursue a social dimension. Raising standards of socially responsible marketing requires three types of activities, based on appropriate legal, ethical behavior and related to social responsibility.

Corporate Social Responsibility is an idea according to which companies in the process of creating strategies take into account the public interest, the environment and other stakeholder groups. Corporate social responsibility is a long-term process of managing relationships with stakeholder groups that may have an impact on the operations of the company. It is a set of rules which, thanks to the use of local social dialogue, increases the competitiveness of enterprises on the global scale and enables sustainable socio-economic development¹⁰. CSR is defined by the European Commission as "the responsibility of enterprises for their impacts on society"¹¹.

In the available sources of information, there is no consensus among the authors on the issue of CSR instruments. According to the Responsible Business Forum in business environment there is a multiplicity of reported practices of CSR which is divided into three categories: business and the market, business and the workplace, and business and society¹².

According to UNIDO¹³ Corporate Social Responsibility is a concept of management whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. This is generally understood as the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders.

Nakoneczna¹⁴ states that activities supporting the society are: beneficence, employee volunteering and social investments, activities that are supporting natural environment are: corporate environmental policy, ecological audit, staff engagement, environmentally friendly manufacturing and "green" products.

Enterprises that want to engage in activities in the area of corporate social responsibility have a choice of various socially responsible business models (such as cause-related marketing or social marketing¹⁵), and within them a number of areas of activity.

This could be campaigns promoting knowledge (e.g. about the principles of proper nutrition),

⁸ Sen, S. & Bhattacharya, C. B. (2001). *Does Doing Good Always Lead To Doing Better? Consumer Reactions to Corporate Social Responsibility*, Journal of Marketing Research Vol. 38, No. 2, pages 225-243.

⁹ <http://portalmarketera.pl/publikacje/widok/marketing-30/>; [access: 20 August 2014].

¹⁰ www.pozytek.gov.pl; [access: 20 August 2014].

¹¹ http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm; [access: 19 August 2014].

¹² <http://odpowiedzialnybiznes.pl/pl/>; [access: 20 August 2014].

¹³ <http://www.unido.org/en/what-we-do/trade/csr/what-is-csr.html>; [access: 19 August 2014].

¹⁴ Nakoneczna, J. (2008). *Spoleczna odpowiedzialność przedsiębiorstw międzynarodowych* [Corporate Social Responsibility of International Businesses] Warszawa: Centrum Doradztwa i Informacji Difin sp. z o.o., pages 70-79.

¹⁵ <http://www.epr.pl/>; [access: 20 August 2014].

action (e.g. encouraging garbage segregation), behavior (e.g. discouraging cigarette smoking) or promoting values (e.g. teaching tolerance). It is important for companies to know how to naturally link them to their core market activity.

3. Conceptual Framework

Within the framework of this article the presentation and analysis of series of case studies of companies operating on the modern market (in terms of corporate social responsibility) was done. Detailed analysis and evaluation of these activities gave the option to define the current trends and prospects for the use of CSR activities in the future. Strategic implications located in the end of the article shall take into account the conclusions of the study of literature and presented case studies.

Analysis of case studies is presented below to verify how theory translates into practice.

4. Selected Examples Of Activities From The Area Of Corporate Social Responsibility – Case Studies And Their Major Findings¹⁶

The strategy of corporate social responsibility has become a permanent fixture in the activities of contemporary businesses. In order to exist in the minds of customers companies have to seek increasingly exceptional social activities. In addition to the novelty aspect of the specific action, consumers very intensively analyze its relationship with business activities. Here are several examples illustrating the practical dimension of this issue¹⁷.

The fashion industry should be considered as one of the most difficult areas of economic activity to which you can in a natural way assign actions in the area of corporate social responsibility. Concern about the external appearance poorly presents itself in combination with social problems, always sooner or later there will be accusations of a lack of sensitivity. However, companies from this sector also shape their offer while taking into account the social rules.

One example is The Exchange boutique in Cape Town, to which clothes were donated by renowned African designers. It is not possible to buy products available out there with money. In exchange for receiving a single thing you have to sign a declaration of donating your organs after death. The campaign was advertised by the slogan "Give Life. Get Fashion." And, for example, on the website 99dresses founded by 20-year-old Australian Nikki Durkin you pay with special buttons. In order to become the owner of interchangeable buttons, you must first put up for sale your old dresses and send them to those who expressed interest in them¹⁸. The company TOMS operates in a more traditional way which for every pair of shoes purchased in its store promises to give away a pair of shoes to Argentine and Ethiopian children in need. This is especially important because bare feet is a health risk but also for the lack of opportunities to go to school, where shoes are mandatory¹⁹.

Very interesting action was also The Stylish Recycling of Factory Krakow²⁰ held in Wolnica

¹⁶ Case studies presented in this part are only few examples from many activities from the market. It is impossible to describe all details from these activities, only the most important information are given in the text. Sources of information about these cases are given in the text.

¹⁷ Due to the volume limitations of this study only selected activities and results of individual case studies will be presented. Full course of described actions and campaigns can be viewed on mentioned websites and within the quoted publication.

¹⁸ Derkaczew, J. (2013). *Zapłać sercem lub guzikiem* [Pay With Your Hart Or Buton]. *Wysokie Obcasy* 46 (753)/ 2013, pages 26-29.

¹⁹ Kotler, P., & Keller, K. L. (2012). *Marketing*. Poznań: Rebis, page 687.

²⁰ <http://krakow.factory.pl/>; [access: 24 August 2014].

Square in Krakow on 26-28 April 2013. The idea behind the campaign was to help those in need by collecting clothes. The action organizer – shopping mall Factory Krakow in order to encourage donations of clothes awarded people with shopping voucher for every two kilograms of clothes that were brought in. Although the last one of the three thousand coupons was released on Sunday at 10:45, participants of the action, to the end of the day, were bringing clothes and passed them to a worthy cause. Clothing was transferred to the Malopolska District Branch of the Polish Red Cross. During three days it was possible to collect 8023 kg of clothes. The aim of the campaign was that the clothes which for various reasons were no longer worn, have gained a new life. The intended goal was achieved and organizers managed to collect more than 8 tons of clothing of which nearly 2 tons was left by participants not expecting in return rewards in the form of coupons.

Similar situation is also in other industries. Direct link between own activity and supported initiative was found by a Polish producer of mineral water: company Cisowianka²¹. When you buy a 0.33l bottle of Cisowianka mineral water with the logo of the Polish Humanitarian Action²² and African motifs, the consumer helps people struggling with shortages of water intended for human consumption. Slogans of this action are: "Water for Africa" and "1 Cisowianka bottle = 5 liters of water for Sudan". Profit from the sale is transferred to the Polish Humanitarian Action. Raised funds are allocated for water projects such as the construction of wells, water tanks, sanitary installations and infrastructure distributing drinking water.

One step further in surprising its stakeholders did Milka company with its action in the area of CSR conducted primarily using social media²³. It was the campaign: Milka, Together for Tatras. It was carried out in two stages: the first was the competition for the symbol of the Tatra Mountains (1.05-20.06 during 2010), and the second, conducted in the longer time frame, was the stage of education (raising awareness of the risks which may face nature, reminding of the obligation to protect it and complying with recommendations of departments involved in its protection). In order to create a positive image for the Polish market Milka decided to use its association with the mountains. The Tatra National Park were invited for co-operation. Through this collaboration, it was possible to select six symbols of the Tatras: Giewont Mountain, Eye of the Sea lake, crocus, chamois, marmot, and a bear. Out of these six options, Internet users had to choose one symbol of the Tatras, for which protection Milka would contribute most. In the vote, first place received bear (567 000 votes) and for its protection in the Tatras Milka has allocated 500 000 dollars. Other positions went to marmot and chamois²⁴ which received respectively 300 000 and 200 000. Honorary patron of the campaign covered the town of Zakopane. Media patronage included TVN and publisher Agora, which provided necessary support in the media: press, television and the Internet during the entire action²⁵. Press office was also established, informing about the progress of the project and helpline was set-up. The action was accompanied by posters, city lights and billboards. Final of the action ended with a concert co-organized by the city in Zakopane²⁶. The result of these actions for the company has been a sharp increase in fans

²¹ www.cisowianka.pl; [access: 28 August 2014].

²² www.pah.org.pl; [access: 20 August 2014].

²³ This case study is described in more detail in comparison to the earlier examples, in order to show the results of such activities and their reception by various groups of stakeholders of the company.

²⁴ Rudolf, T. & Straube, S. CSR 2.0, *Spoleczny biznes. Misja i zyski nareszcie razem* [Social business. Mission and profits together at last] <http://odpowiedzialnybiznes.pl/pl/praktyka-csr/aktualnosci.html?id=5282>, [access: 28 August 2014].

²⁵ For example, previously the company supported Austrian National Park Hohe Tauern - since 2007, it is supported by the company.

²⁶ http://konkurs.kampaniespoleczne.pl/kk_kampanie.php?edycja=2010&kk_id=254&action=szczegoly; [access: 28 August 2014].

on Facebook portal - and so on 7 June 2010 there were 17 980 fans, in January 2011 nearly 60,000, and on 23 May 2012 the number of fans reached 78 685. The activity of the portal also resulted in first meeting of Milka fans. Together for Tatra (18.06.2012) was supported by Milka and TPN, who gave the organizers branded gadgets and weekly Park magazines.

The success of the action is also expressed by its characterizing figures. Action website (which held a vote on the Tatra symbol) was visited by 2 863 000 Internet users; on social networking sites action was supported by nearly 120 000 people (67 480 - Facebook and 51 780 - portal 'Nasza Klasa'): the number of entries on the Internet - 53 000 and publications in other media than the media sponsors – 160. About 16 millions of Poles became familiar with the presented social action. Action increased brand awareness by 4% and the association of social engagement with Milka by 8%. The final concert in Zakopane was attended by about 20 000 people protecting the Tatra Mountains. These impressive results have been achieved by the company thanks to activities which core features were implemented especially in the context of social media²⁷.

Social action Milka: Together for Tatra has also been recognized in the context of multiple rankings and competitions. For example, in the contest Media Trends 2011 it received – Grand Prix for the best campaign of the year, as well as in the category of innovative and integrated strategy: the title of the best use of content, and CSR. This action has also received awards: international – Mercury Award for Climate/Environment, Golden Clip for CSR activities, recognitions within the Magellan Awards²⁸).

4. Discussion

In the presented case studies there were characteristics of various activities used to promote the idea of corporate social responsibility and all of them received positive reception of target groups. Due to restrictions in volume of this article only few case studies were presented in this article, in addition there were no space for presentation of their detailed analysis.

Based on the analysis of the activities of contemporary enterprises and consumers' responses to them one can assume that social campaigns will become an increasingly important element of marketing. So far, the barrier for intensive use of funds for social purposes were distant in time marketing consequences of such actions. As it was posing a major threat for managers employed on short-term contracts and settled with current financial results.

At this point, most managers are aware that a large part of the market value of their companies is a consequence of intangible assets such as brands, their image, customer base, employees, relationships with suppliers and distributors or intellectual capital. Therefore, it is easier to justify involvement in CSR activities and develop a more long-term campaigns in this area.

5. Place Of Corporate Social Responsibility In The Modern Marketing And Directions Of Its Development – Managerial Implications for Entrepreneurs Looking for Effective Methods of Attracting Customers Attention

The future promises a lot of opportunities of good earnings but many factors in

²⁷ http://konkurs.kampaniespoleczne.pl/kk_kampanie.php?edycja=2010&kk_id=254&action=szczegoly; [access: 28 August 2014].

²⁸ http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm; access: [28 August 2014].

socio-economic, cultural and ecological environment will be imposing new restrictions on marketing. Effective internal marketing must be accompanied by a strong commitment to the values, including ethical values and social responsibility. To apply higher standards of corporate social responsibility the companies are induced by many factors. These include: increasing consumer expectations, evolving goals and ambitions of employees, stricter regulations and greater pressure from the state, investor interest in social criteria, control coming from the media and the changing practices of making orders.

A major challenge is becoming now to communicate corporate social responsibility. The contemporary consumer is very sensitive to all forms of manipulation and will not accept initiatives that are not consistent with the overall company policy. He will be very carefully searching for all forms of inconsistency of business activity with company declarations and making such information public will be very badly affecting the image of the brands that are offered.

The growing popularity of CSR ideas results in a number of different self-regulations implemented by individual companies, which then become the standards for the operation for entire sectors. The control of respecting these limitations is handled by, for example: organizations associating these companies in cooperation with the specially appointed government administration bodies (e.g. Declaration of Polish business for sustainable development was signed on 28 May 2012 in the Ministry of Economy) and the European Union as a whole²⁹. Promotion of CSR is supported also, e.g. by initiatives such as the Academy of Responsible Business, Responsible Business League and annual social reports prepared by the Responsible Business Forum.

A manifestation of the Polish government interest in the subject of corporate social responsibility was the creation of the Group for CSR aspects at the Prime Minister office in 2009. Its tasks include e.g. preparing recommendations related to promotion and implementation of CSR principles and in particular:

- proposing solutions regarding interagency coordination of public administration in terms of promotion and implementation of the principles of CSR,
- analyzing and using the experience of other countries and the dissemination of good practices in the area of CSR,
- creating conditions for better communication and dialogue between administration, business, social partners and non-governmental organizations on matters related to CSR.

At the same time one should remember that the prevalence of the presence of CSR in today's corporate strategy forces them to constantly improve standards in this area. CSR becomes an integral part of the corporate strategy as important and sometimes even more important than the product range. Companies that are serious about their future must actively participate in the initiatives of this kind. But entrepreneurs should also remember that CSR activity intensiveness must be adequate to the situation of the company on the market – in companies without innovatives CSR activity can reduce level of customers' satisfaction and even harms market value³⁰.

The better educated consumer the greater importance he will attach to the social activity of the product supplier. When planning such actions the company must pay attention to: a proper choice of area of social action – it has to be tailored to business activity, be approved by the

²⁹ <http://www.iso.org/iso/home/standards/iso26000.htm>; [access: 28 August 2014]

³⁰ Luo, X. & Bhattacharya, C. B. (2006). *Corporate Social Responsibility, Customer Satisfaction and Market Value*, Journal of Marketing Vol. 70, No. 4, pages 1-18.

employees and customers and give the opportunity for the long-term commitment. Company should remember to select the most natural and direct way to communicate with its environment about own social activities, giving the possibility of two-way communication (social media is just one channel - not for each target group its use will give the best results). But the most important will be the efficient involvement in this activity as many stakeholders as possible – it is worth remembering about implementing an element of competition for its participants – which is a very strong incentive for action.

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