

Virtual Corporate Social Responsibility Dialog: Seeking a Gap Between Proposed Concepts and Actual Practices

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Abstract This chapter provides an initial conceptualization of virtual social corporate responsibility (CSR) dialog and a preliminary examination of global firms' Twitter CSR communications. Combining Web 2.0 and customer engagement, virtual CSR dialog could be a powerful tool to establish participative and collaborative relationships between the firm and its clients. However, our analysis of 8 global firms' Twitter CSR accounts reveals that the level of firm–customer interactions is extremely low, while the level of customer–customer interactions is relatively active.

1 Introduction

In recent years, the importance of corporate social responsibility (CSR) has increased tremendously. CSR can be defined as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2011). As of 2006, this was one of the most widely accepted definitions, while there were as many as 31 definitions identified in the literature (Dahlsrud, 2006). Such a wide variety of definitions implies a gradual but steady increase of academic interests in CSR during the past decades. The European Commission's CSR definition is based on five sub-dimensions—voluntariness, stakeholder, social, environmental, and economic. There seems clear evidence that more and more firms are interested in integrating these sub-dimensions in their public relations.

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Compared with other related terms, such as corporate philanthropy or social marketing, it incorporates the interaction with firms' clients so that social and environmental concerns can be addressed bi-directionally, not uni-directionally.

This chapter intends to introduce and conceptualize one of the emerging phenomena in CSR—virtual CSR dialog. The surge of virtual CSR is much related to the skyrocketing growth of social media. Social media represents the spirit of Web 2.0 that advocates consumer participation and collaboration on online communication. Unlike Web 1.0, which primarily focused on interactivity, Web 2.0 enabled consumers to be actively engaged in information exchange and dissemination. This chapter sheds light on the synergy between CSR and Web 2.0, visiting a new concept, virtual CSR dialog, first proposed by Korschun and Du (2013).

The main objective of this chapter is to fill a gap between virtual CSR dialog concept and actual practices. As is usually the case, there tends to exist a lag between academically proposed concepts and their actual adoption. We aim to find whether global corporations actually adopt virtual CSR dialog in their corporate CSR Twitter accounts. A study fulfilling such a gap may provide insights into our managerial practices as well as academic research.

In what follows, we first establish a background of virtual CSR dialog, clearly defining the terms and associated concepts. Then, we describe our method, followed by the results based on our data extraction from Twitter. We then draw managerial implications while suggesting some directions for future academic research.

2 Background

2.1 *Korschun and Du's (2013) Conceptualization*

The term “virtual CSR dialog” was first proposed by Korschun and Du (2013). Their conceptualization can be summarized as in Fig. 1. Probably the most unique aspect of this conceptualization is that Korschun and Du (2013) distinguish firms' communication efforts in terms of the type of media and offering. CSR offering and product-service offering differ fundamentally, because the former does not necessarily involve stakeholders' social or environmental interests while the latter does. This is the most crucial difference between traditional marketing and CSR. On the other hand, traditional media and social media differ fundamentally, because the former does not involve content sharing or network building while the latter does. Firms could establish networking brand communication with their clients through social media but, unless it involves social and environmental interests and tries to stimulate proactive engagement, they would fail in establishing virtual CSR dialogs.

Korschun and Du (2013) formally define virtual CSR dialog as “a company's strategic utilization of social media technologies to proactively engage stakeholders in CSR activities” (p. 1495). Decomposing this definition, we can identify two key terms—social media and proactive engagement.

	<i>Traditional media</i>	<i>Social media</i>
<i>CSR offering</i>	Traditional CSR engagement	Virtual CSR dialog
<i>Product-service offering</i>	Traditional marketing program	Virtual customer dialog

Fig. 1 Korschun and Du’s (2013) conceptual matrix

2.2 Web 2.0 and Customer Engagement

First, the surge of social media is a natural consequence of Web 2.0. Web 2.0 is characterized by interactive information sharing, interoperability, user-centred design, and collaboration (Campbell, Pitt, Parent, & Berthon, 2011). Since Web 2.0 enhances the openness and transparency of user-generated content, an increasing number of global firms adopt Web 2.0 to increase the level of interactions with their clients. Undoubtedly, Web 2.0 has been one of the accelerating factors for fostering virtual CSR dialog. Unlike Web 1.0, Web 2.0 enables consumers to voluntarily participate in building social networks.¹ Web 2.0 can be exemplified by social networking sites, such as Facebook, Twitter, and LinkedIn, where users freely build their own network community with their friends. Facebook is a closed network in which information is only shared by the invited users. In contrast, Twitter is an open network where the information is accessible by anyone, while followers may receive continuous updates about those followed. As a result, an increasing number of firms are adopting Twitter as a CSR tool. Twitter offers an ideal platform for CSR because it enables transparent, open, timely, and direct communications between firms and users. In addition, it helps firms to build networks with stakeholders, while keeping them abreast of the latest news and trends.

Second, proactive engagement can be paraphrased as customer engagement in academic literature. Customer engagement is defined as “a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g., a brand) in focal service relationships” (Brodie, Hollebeek, Jurić, & Ilić, 2011, p. 260). Customer engagement is closely related to CSR’s voluntariness sub-dimension, which seems key to understanding the recent shift from traditional CSR to virtual CSR. Here, voluntariness refers to any behavioural change based on ethical values and beyond legal obligations (Dahlsrud, 2006). One of the pre-requisites of this voluntariness sub-dimension is customer engagement. That is, unless firms succeed in engaging their customers and encouraging their voluntary behaviour based on their ethical values, no information exchange or “dialog” would occur. However, without company–users interaction on CSR, no socially responsible behaviour would be expected, since users may merely receive the message uni-directionally. In other words, unless firms succeed in establishing a

¹See also Chapter 11 of this Handbook: “The World Wide Web and the Social Media as Tools of CSR Communication” by Paul Capriotti.

dialog with their customers, there is no way to assess whether the CSR message transmission provoked any behavioural change or not.

Broadly speaking, one of the conceptual foundations underlying customer engagement relates to service-dominant logic in a context of customer relationship management. Service-dominant logic defines service as “the core purpose of exchange and provides a theoretical understanding of how firms, customers, and other market actors ‘co-create’ value through their service interactions with each other” (Karpen, Bove, & Lukas, 2012, p. 21). Service-dominant logic highlights the consumers’ proactive contribution to value co-creation (Vargo & Lusch, 2004). Customer engagement reflects customers’ interactive, co-creative experiences with other stakeholders in focal, networked service relationships (Brodie et al., 2011). Hence, virtual CSR dialog expects that mutually beneficial values will be co-created through social-media-based CSR communications because customers are more engaged by proactive participation. If this is truly the case, firms will be able to effectively “co-create” solutions to social and environmental concerns with their clients and improve collective well-being collectively.

3 Research Questions

Based on the preceding discussion, this chapter addresses the following research questions in an attempt to extend our knowledge of virtual CSR dialog.

Research question 1: What is the actual adoption level of virtual CSR dialog among global firms?

Research question 2: What is the level of activity in firm–customer interactions and customer–customer interactions within the firms’ Twitter CSR accounts?

Research question 3: What quantitative and qualitative observations can we make in this regard?

4 Method

In order to address our research question regarding virtual CSR dialog, we examined eight companies’ CSR Twitter accounts. These companies include two pharmaceutical (Merck and Pfizer), two financial (Barclays and Citibank), two food (Nestle and DANONE), and two cosmetics (L’Oreal and Nivea) companies. In each firm, we extracted (1) firm–customer tweets and (2) customer–customer tweets, both of which were originated by or associated with firms’ CSR messages.

The number of extracted tweets for each firm were as follows (the number of firm–customer tweets; the number of customer–customer tweets): L’Oreal (15652; 109634), Merck (916; 37529), Nestle (2307; 69476), Nivea (2774; 4650), Pfizer (1783; 1800), Barclays (2466; 28673), Citibank (4425; 25489), and DANONE

(1012; 3870). The differences in the sample sizes among the firms may be due to (1) the differences in the actual tweets or (2) a lack of CSR activities during our data extraction period. It is noticeable that the number of customer–customer tweets generally exceeds the number of firm–customer tweets. The most active tweets/retweets activities were found in L’Oreal (109643 customer–customer interactions), followed by Nestle (69476 customer–customer interactions).

Next, applying five different clustering algorithms, i.e., hierarchical, K-means, Partition Around Medoids (PAM), and Self Organizing Maps (SOM), we grouped these tweets into tightly intertwined “communities”. Nevertheless, the results obtained from distinct clustering algorithms did not differ much, producing similar results. Most of the firms produced 2–6 clusters. In order to choose the optimum clustering results, we employed three evaluative metrics, including Connectivity (level of data dispersion in the cluster), Dunn (ratio between the smallest distance and the observations outside the cluster), and Silhouette (level of confidence in the clustering assignment of a particular observation). All the clustering algorithms have been executed 100 times. The validation scores of clustering algorithms for L’Oreal are shown in Fig. 2. As can be seen, different clustering algorithms produced slightly different results, and thus needed to be examined further by evaluative metrics.

After applying these metrics and determining the best clustering solutions, we found that most of the firms’ tweets/retweets activities were formed by two or three communities around the firms’ CSR message. This seems a natural consequence of Twitter usage, given the foremost objective of Web 2.0 being network building. At the same time, it is a little surprising that the communities were not so fragmented, indicating that there are probably a certain number of influencers and the number of topics discussed or exchanged in corporate Twitter accounts is rather limited.

We then further analysed the content of the tweets to find the level of firm–customer interactions through so-called “dialog interaction indicators” consisting of Betweenness, Clustering coefficient, and Average path. Betweenness refers to the number of shortest paths (between all pairs of nodes) that pass through a given node. Clustering coefficient measures the probability that two incident edges are completed by a third one to form a triangle. Lower clustering coefficients tend to indicate those who are connected to many people who are not themselves connected to one another. Average Path indicates average path length.

It is important to note that the level of firm–customer interactions can only be measured by these objective indicators since we dealt with a large number of tweets. Our main objective here was to first identify the most actively interacting clusters through objective indicators, then qualitatively analyse tweet dialogs in those clusters. To our surprise, however, we found that none of the firms’ clusters exhibited active interactions between the firms and customers.

Finally, we decided to extract the customers’ tweets associated with the firms’ CRS message. Here, our focal point was the level of customer–customer interactions, not the level of firm–customer interactions. After repeating the same

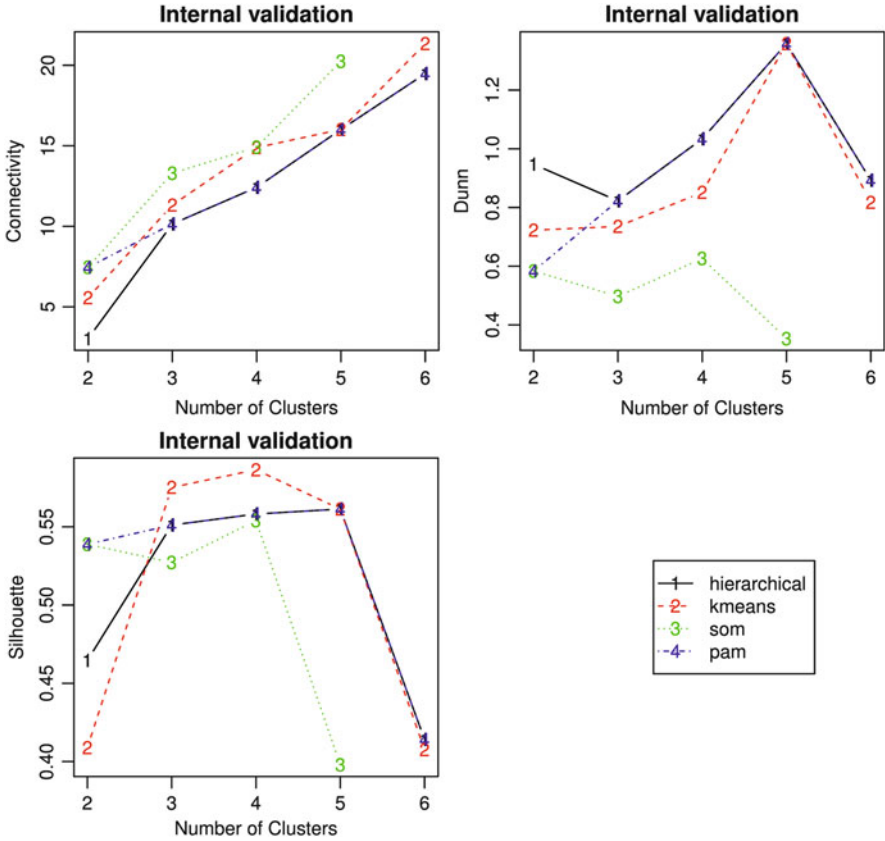


Fig. 2 Clustering results for L’Oreal

procedure, we found that most of the clusters in all firms showed a fairly active level of customer–customer interactions. That is, while the level of firm–customer interaction was extremely low, the level of customer–customer interactions was relatively high. However, we should note that, although the customers’ tweets were initiated by firms’ CSR messages, their subsequent tweets and retweets were not necessarily related to the firms’ CSR message. For example, a vast majority of these tweets included pointless jokes, ill-natured communications or any third-party-based promotional or commercial messages (or their retweets). According to the prior literature, this seems a general tendency (e.g., Okazaki, Diaz, Rozano, & Mendez, 2015).

5 Results

After carefully examining the customer–customer interactions based on the dialog interaction indicators, we found Merck’s Cluster 1 and Nivea’s Cluster 2 to be the most actively interacting clusters.

In Merck’s Cluster 1, the dialogs were mainly motivated by tweets related to the “Save Locky’s Dad” campaign (Fig. 3). This campaign sought for compassionate access to PD-1 medicine for Mr. Nick Auden who was in a battle against Stage 4 Melanoma. The campaign called for signing Nick’s petition to Merck or Bristol-Myers Squibb for new immunotherapy drugs, and tweeting “Ask @merck and @bmsnews to give Nick compassionate access to PD-1”. Such drugs as Lambrolizumab and Nivolumab have been shown to cure some patients by shrinking tumours in clinical trials (*The Sunday Morning Herald*, 2014).

Mr. Auden, who missed out on clinical trials, was pleading with the companies for “expanded” or “compassionate” access to the investigational medication, which is an option for the companies while the drugs are still under development. Just three-and-a-half months after he died, Merck announced that it was launching an “expanded access program” for its PD-1 drug Lambrolizumab for those who are suffering from life-threatening illnesses (*The Sunday Morning Herald*, 2014).

This case seems to illustrate a potential danger of virtual CSR dialog. Apparently, Merck failed to respond to the “Save Locky’s Dad” campaign, ultimately causing Mr. Auden’s death. Merck’s followers may have seen this as an example of corporate hypocrisy, since the firm should have made maximum efforts to save a terminally ill individual who desperately sought their help. Because Twitter enables transparent, open, timely, and direct communications between firms and users, if the firm is not capable of reacting to that situation in a timely fashion, virtual CSR puts the firm in a very awkward and vulnerable position.

In Nivea’s Cluster 2, the messages were related to the “#DRNIVEA Twitter Party!” campaign, where participants could win a NYC New Years’ Eve experience

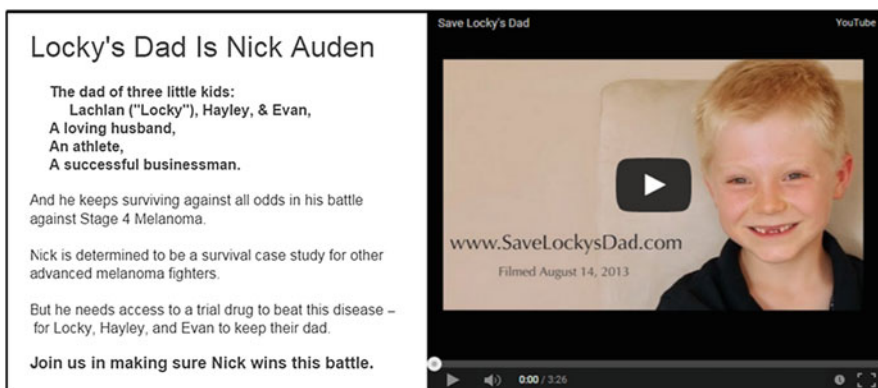


Fig. 3 Home page of the “Save Locky’s Dad” campaign. Source: Save Locky’s Dad (2015)



Fig. 4 Join @DuaneReade #DRNIVEA Twitter Party. *Source:* NIVEA USA on Twitter (2015)

in Time Square (Fig. 4). This campaign was organized by Duane Reade, which is the largest drugstore chain in the New York Metropolitan area and has served customers since 1960. This was a sweepstakes campaign in which five participants could win \$100 VISA gift cards. The prizes were given away during the 1-h duration of the party on November 14, 2013. No purchase was required to participate in the campaign. Unlike the “Save Locky’s Dad” campaign, this was a promotional campaign with an attractive incentive.

6 Conclusion and Directions for Further Research

This chapter presents the preliminary results of global brands’ virtual CSR dialog activities. Our in-depth analyses of their Twitter accounts reveal that most of the firms failed in establishing active firm–customer interactions. That means, even if the use of Twitter has proliferated among global brands’ CSR communications, they have not taken full advantage of this Web 2.0 tool. On the contrary, if global firms do not provide timely reactions to their clients’ or non-clients’ concerns, they may demonstrate a lack of honest and sincere corporate intentions, despite the messages transmitted through their CSR Twitter accounts.

As more and more firms adopt Twitter to enhance their customer relationship management, the time has finally come for global firms to exemplify true social responsibility. Consumers are increasingly sceptical of corporations engaging in irresponsible behaviours, and thus firms need to make maximum efforts in engaging their clients, letting them participate and collaborate in their CSR activities.

Future research should expand the current study by increasing the number of global firms examined. It might also be interesting to examine firms in industries that have suffered from a serious deterioration of their reputations, such as financial institutions and airlines. Also, an extension incorporating data mining techniques may be an interesting means of exploring “hidden” interactions among firms and their customers.

7 Exercise and Reflective Questions

1. Why are global brands interested in using Twitter for their CSR communication?
2. What is the conceptual foundation of virtual CSR dialog?
3. What is the difference between virtual CSR dialog and traditional CSR?
4. What are the expected outcomes of virtual CSR dialog?
5. In the study presented in this chapter, why do you think are the firm–customer interactions so inactive?
6. How could global brand managers improve the effectiveness of virtual CSR dialog?
7. How should global brands react when they receive serious complaints or claims in their CSR Twitter account?
8. Which would be a more appropriate tool for virtual CSR dialog, Twitter or Facebook? Why?

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