

Chapter 13

Social Responsibility Reputation of Brands: A Strategic Approach

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13.1 Introduction: Social Responsibility and Pro-Social Behavior

Marketing can be very narrowly defined as “satisfying consumer needs” (Kotler and Armstrong 2012, p. 26–29; Graham 1993). However, it has been argued like half a century ago that marketing had a broader definition covering social and ethical issues besides only satisfying consumer needs (Kotler and Levy 1969; Feldman 1971). Kotler and Levy (1969) stated that “marketing is a pervasive societal activity that goes considerably beyond the selling toothpaste, soap and steel” and added that marketing people should enhance their vision and use their skills for broader social activities. Therefore, the broad notion of “the value creation” has been involved in the marketing definition. Furthermore, the “societal marketing concept” emphasizing that a company’s marketing decisions should consider not only the company requirements and consumers’ wants but also should lead to the improvement of the consumers’ as well as the society’s long-term interest and welfare (Kotler and Levy 1969; Graham 1993; Hoeffler and Keller 2002).

Throughout the years, the concept proved to increase its importance due to the global changes related to several factors such as growing environment-related problems, population increase, advances in technology, scarcity of resources, wars, increasing awareness. Since 1970s, economic and technological changes have lead to an increase in the production and as well in the consumption of products and services. The urge of protecting and using the world resources in a more conscious

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and responsible way is increasing. Therefore, the consumers and companies together are required to be more sensitive and act more responsibly to the world and societies' welfare (Akyıldız 2007).

The rise of recognition of the social responsibility leads corporations to implement socially responsible activities to their business activities and consumers expect brands to design marketing activities by involving at least one non-economic objective related to social welfare (Hoeffler and Keller 2002). There are several factors contributing to the growing consciousness about social responsibility. Among them, accepting social responsibility as normal good, delivering information about companies' social responsible activities and increasing public awareness about social responsibility can be counted as important drivers for such a trend (Benabou and Tirole 2010).

Social responsibility takes place and is implemented by actors at institutional, organizational, and individual levels. At institutional level, forces like regulation, standards and certification, stakeholders' decisions define social responsibility activities and most times it can be used for improving reputation, customer loyalty, and evaluation of products. At organizational level, companies' values, instrumental reasons such as financial outcomes and strengthening customer relationships identify social responsibility. On the other hand, at individual level, different normative motives, personal values and concerns are definitive for pro-social behavior (Auginis and Glavas 2012).

Standard definition of social responsibility is "sacrificing profits in the social interest" and social responsibility involves being environment-friendly, attentive to ethics, and respectful for communities (Benabou and Tirole 2010). Corporate social responsibility is a managerial perspective and a philosophy that pays attention to society's expectations, needs, values and requests, and it requires acting in accordance with individual and social benefits (Bir et al. 2009). According to Wartick and Cochran (1985), social responsibility concept has two fundamental premises: (1) The methods of operation must be compatible with society's regulations and (2) The corporations should act as a moral agent that reflect and reinforce society's values and welfare.

Pro-social behavior is a form of positive acts such as helping, donating, cooperating, and volunteering to maintain others' well-being. According to Benabou and Tirole (2010), pro-social behaviors "obey a complex mix of interdependent motivations" and are driven by self-esteem and genuine intrinsic altruism. Pro-social behaviors are altruistic behaviors that are performed by individuals and companies with the intention of promoting and delivering welfare and involve helping others and volunteering (Kelley and Hoffman 1997) such as responsible waste handling or careful use of non-renewable energy sources (Gronhoj and Thøgersen 2012).

Commonly, one of the most widespread forms of social responsibility is perceived as green marketing. Green marketing can be described as the use of individual consumer power to promote less environmentally damaging consumption, while still satisfying customer needs and demands (Charter et al. 2002). On the company side, according to Polonsky and Rosenberger III (2001), the green marketing concept of today has moved much beyond the simple ecological posturing of

years ago and now the true responsible green marketing can be considered as an “integrated strategic tool” for the companies. According to Menon and Menon (1987) (as cited in Polonsky and Rosenberger III 2001) strategic greening should lead to a significant change in corporate philosophy.

Green marketing is for sure very crucial but there are other aspects of social responsibility which also have very significant roles related to the welfare of a society. Several authors (Heikkurinen and Ketola 2012; Zabkar and Hosta 2013; White et al. 2012) define the ensurance of fair trade; environmental protection including the 3R—reproduction, re-using and re-cycling; the prevention of any product-harm; paying attention to a better use of scarce resources; issues related to poverty and education; ethical practices among the most significant aspects related to social responsibility. Furthermore, in all types of socially responsible activities, a holistic approach is considered to be crucial rather than a one-time, short-sided view.

13.2 Consumers’ Perspective: Awareness About and Attitude Toward Social Responsibility

Socially conscious consumers can be defined as individuals caring to bring social change by thinking about the consequences of their private consumption (Webster 1975). The trend is that the number of socially responsible consumers eager to buy products of socially responsible companies is increasing. Furthermore, they are willing to pay more for those products while developing negative attitudes and creating negative word-of-mouth for irresponsible brands and companies (Russell and Russell 2010). Socially conscious consumers tend to buy products and services that represent qualities such as “sustainability, social justice, corporate responsibility, or workers’ rights” and make pressure on corporations to reconsider the social impact of their business activities (Willis and Schor 2012, p. 162).

Recent research suggests that consumers are increasingly concerned with ethical issues, socially conscious product options, fair trade, and justice for others, and they demand ethical product options (White et al. 2012). Findings suggest that consumers and business environment increasingly tend to reward responsible brands and punish irresponsible ones (Du et al. 2010).

Some people invest in socially responsible funds, help people to sustain their lives, buy and consume green products and devote their times for good causes (Benabou and Tirole 2010). According to Griskevicius et al. (2010), consuming pro-social products is an indicator of being “not pro-self” and showing that the consumer has enough time, energy, and money for preferring those products. The research indicates that there is a group of people with such concerns. They are conscious about spending more for a car to help people and not to harm environment by sacrificing performance features, design, and comfort. Personal norms are

translated into behaviors and cultivated by perceptions about social welfare, and an awareness of the results of consumption is created (Osterhus 1997).

The awareness about and attitude toward social responsibility vary from country to country, and research indicates that the level of development of a country is related with the social responsible behavior of its citizens. Regarding Ethical Consumerism Market Report 2013, in UK, ethical market shows strong growth and average spending on ethical products increases from 2000 to 2012 such as cosmetics from 7£ pounds to 21£; energy 20£ to 96£, home products 59£ to 184£.

Furthermore, consumers wish to be informed about socially responsible activities of the brands and they expect firms to involve them in their pro-social behavior. Corporations are required to compensate their operations' negative consequences for the earth and the society and maximize the positive impact. It is argued that pro-social activities of the brands affect the purchase behavior of those consumers (Pomeroy and Johnson 2009).

Consumers' awareness of pro-social activities constructs favorable beliefs associated with brands and its products (Pomeroy and Johnson 2009). There are different motivations leading to pro-social behavior.

- (1) The intrinsic altruism, which is the desire to make some good and help others.
- (2) Material incentives such as tax reductions.
- (3) Social and self-esteem concerns, related to self-image (Benabou and Tirole 2010).

As claimed by Henrich and Gil-White (2001), being pro-social without being assertive is associated with status. This is even more valuable as this status is gained through freely conferred deference. Furthermore, the pro-social behavior of an individual for the sake of the other people may result in the selection of this person as a leader and can build social approval feeling (Hardy and Van Vugt 2006; Milinski et al. 2002).

Pro-social behaviors may lead to important functional consequences for individuals such as environmental conservation can build pro-social reputation (Griskevicius et al. 2010). It is implied that buying social prestige is a part of the incentive to engage in pro-social behavior for individuals (Benabou and Tirole 2010). People define themselves and gain emotional pleasure by constructing social interactions such as helping others, buying products that carry social responsible characteristics. It is stated that this behavior also contains a status value, which means self-esteem, honor, or worth (Zabkar and Hosta 2013). The corporations may strengthen the above-stated self-esteem and social approval feeling of the consumer through showing how the consumer involvement contributed to the success of the cause program (Hoeffler and Keller 2002).

Another major outcome of being referred as pro-social in a group is the notion of status and prestige. As a result, those socially responsible people may prefer socially responsible brands over some luxury products to satisfy status motives showing that "they care" (Griskevicius et al. 2010). Also, these consumers have other altruistic and prestige motives than cost concerns (Zabkar and Hosta 2013).

The companies should analyze well the primary motives of their target customers and design their marketing program accordingly.

13.3 Corporations' Perspective: Social Responsibility and Brand Reputation

Brand reputation is defined as a collective representation of a brand's history and ability of delivering value to multiple stakeholders. Furthermore, it is considered to be a stronger and more stable external assessment than brand image. Brand reputation is also accepted as an intangible asset that provides opportunity for competitive positioning. As a key influencer, brand reputation encourages stakeholders' anticipation for the brand's future (de Chernatony 1999).

The corporations are aiming to build good reputation through performing socially responsible activities and promoting them to the targeted publics. Corporate reputation reflects the firm's image in consumers' mind. As the sensitivity of the consumers is observed to increase, the corporations are putting more emphasis on the realization of socially responsible activities. In order to create a strong point of differentiation, corporations position their brands on this platform and promote them accordingly (Pomeroy and Johnson 2009). Socially responsible reputation of a brand is a multidimensional construct that can be composed of personal and social norms and economic forces (Osterhus 1997); trust and awareness are significant outcomes of this reputation (Osterhus 1997; Griskevicius et al. 2010). According to Formbrun (1996) (as cited in Pomeroy and Johnson 2009), brands need to develop positive reputations through "innovation, operational excellence or closeness to the customers."

Pro-social behaviors are functional for corporations in terms of contributing to achievement of organizational objectives (Brief and Motowildo 1986). Brands with a pro-social positioning are targeting the socially conscious consumers. Consumers' positive attitudes toward socially responsible companies are observed to enhance firms' desire to continue the socially responsible activities (Osterhus 1997). For the brands, engaging in pro-social behaviors can build pro-social reputation and having reputation can create valuable contribution to competitive strategy (Griskevicius et al. 2010). The trust provides company's reputational capital also known as "goodwill" and this capital strengthens firms' competitive position against its rivals (Pomeroy and Johnson 2009).

Furthermore, the emotions and judgments created by the socially responsible activities of the company may affect the quality and intensity of the relationship consumers have with the brand. As noted by Hoeffler and Keller (2002), this intensified relationship may lead to the building of brand communities where fellow brand users and customer, or instead, employees or representatives of the company interact. The companies should be aware of the impact of the pro-social behavior on the equity of their brands.

Corporate social responsibility requires brands to implement the broad societal responsibility and meet consumers' and the earth's broader expectations (Pomeroy and Johnson 2009). As mentioned by White et al. (2012), the major challenge for marketers is that several fair-trade products often entail a unique consumer trade-off between individual-level costs (e.g., higher prices and less accessible distribution) and more societal, other-oriented payoffs (e.g., fair wages and ethical working conditions for producers in developing countries).

In the twenty-first century, branding practices are used to differentiate brands in the market more than ever. Corporate social responsibility can be an influential option to satisfy multiple objectives such as creating differential advantage through a strong corporate image and building emotional, even spiritual, bonds with consumers (Hoeffler and Keller 2002). As an important builder of the brand equity, the socially responsible activities are suggested to be tailored according to the positioning of the brands in a way to create more involvement and bonding with the consumers.

13.4 Final Discussion and Suggestions

Having reviewed the social responsibility and pro-social behavior concepts from the consumers' and the organizations' perspectives, it would not be wrong to say that societal marketing issues that are pointed out in the article of Kotler and Levy (1969) are still valid and even more important in the twenty-first century. According to Benabou and Tirole (2010), there is an increasing demand in the society related to individual and corporate social responsibility.

Social responsibility activities of the brand are effective when they provoke consumers to develop positive attitudes and emotions toward brands (Pomeroy and Johnson 2009). Although there may be some contradicting evidence, in many instances, consumers take into account corporations' social responsible activities for their purchase decisions and also they are willing to pay more for the brands which are more engaged with social responsible activities (Servaes and Tomayo 2013). As mentioned in the previous sections of this paper, the consumers may have different motivations to get engaged in pro-social activities and support the companies emphasizing that notion. However, independent of the motivation whether it is prestige, self-esteem, search for leadership or altruism, those consumers want their actions to be visible and create word-of-mouth related to the actions taken by the brands/companies. Many times, they are becoming the advocate and promoters of the projects. Therefore, it is suggested to the companies that they identify those consumers and build a relationship with them, get them involved in the projects, receive their ideas and suggestions so that they will feel part of the pro-social behavior of the brand and/or company.

On the company side, social responsibility creates big responsibility for the brands to sustain their activities, which develop and support the brand reputation (Pomeroy and Johnson 2009). Therefore, corporations are required to provide

convergence of social and business interest and assure target audience that their social responsible activities are beneficial for both society and themselves (Du et al. 2010). As emphasized, corporate social responsibility activities may help to build brand equity through increasing brand awareness, eliciting positive associations with the brand, creating a sense of belonging through communities and evoking the desire for spreading out positive word-of-mouth resulting in bonding (Hoeffler and Keller 2002).

However, it should be noted that carrying out socially responsible activities can lead to desired results only when they are communicated to the targeted publics on time. In this context, Internet and social media constitute a very important tool for the companies. Socially responsible behavior of companies is also communicated to masses through social media in a very quick manner.

Social media sites have already become a part of the modern society in many contexts such as social, educational, political, and business (Aleman-Meza et al. 2006). Social media platforms allow brands not only delivering messages but also collecting information about their consumers, gathering deeper insights, and triggering micro-communities to engage the societal issues (Champoux et al. 2012). Furthermore, the audience response can be obtained in real time and be measured.

Social networking sites (SNSs), such as Twitter, Instagram, and Facebook, are very important to increase the effectiveness of the communication strategy and to spread brand statements rapidly and simultaneously (Du et al. 2010). Word-of-mouth has also been a crucial tool to keep consumers updated about the pro-social activities of the corporations. Furthermore, social media provides more data than ever possible in order to understand customers and their behaviors, learning from consumers' expectations and reactions in real-life situations (Champoux et al. 2012).

Strong brands are expected to be proactive in using social media communication to engage their consumers for being their advocates (Du et al. 2010). The point is that social media communication is very delicate and requires huge attention. Although stakeholders claim that they want to be informed about the social responsibility activities of the firm, they sometimes can be doubtful about the brands with which they interact (Du et al. 2010). Once the doubt is felt, this communication can cause a negative reaction about brands' social initiatives; the advocates can create negative contents about social responsibility activities (Du et al. 2010). A well-planned and managed communication strategy may defeat those concerns and may result in the building of trust between the consumer and the company. Furthermore, some firms are criticized for spending too much money on advertising (Hoeffler and Keller 2002). Therefore, the use of social media and Internet may lessen those critics, as they are much less costly.

Consumers perceive social media activities of brand as a distinctive value comparing to others that use old-fashioned marketing activities (Daugherty et al. 2008; Kim and Ko 2012). Brands offering platforms for consumers to share experiences and to communicate friendly with brand and with each other are perceived more positively by the consumers. The possibility of direct communication affects consumer perceptions positively and improves the brand equity (Kim and

Ko 2012). So, it may be desirable for brands to communicate their socially responsible activities via SNSs through clear, transparent, and direct messages, avoiding the doubtful statements that can create undesirable perceptions about brands.

The marketing communication programs also should enhance the social approval feeling of the consumer through symbols, making visible the consumers' participation in the socially responsible activities of the company. This is considered an effective way to build positive consumer imagery.

The last but not least important point is that in order to build sustainable strongbrands, the corporations should put the social responsibility issue as a part of their mission statement. The social responsibility concern is expected to be the philosophy of the company and be incorporated in the mission statement, inspiring its employees and directing all of its activities. This philosophy will affect many strategic decisions such as the technologies used by the company, the investments to be made, the types of need-satisfying products to be produced, the communication style, etc. On the other side for the consumer, the pro-social behavior should be a part of a lifestyle, demanding sacrifice related to costs, performance, and even time. However, the self-esteem and prestige motives are expected to compensate those sacrifices and lead to a satisfaction toward a better world.

To create a better world and be able to sustain our exploited earth, all of the members of the society, not only the consumers and private companies but also the state enterprises and governments, are invited to acknowledge that this is the responsibility of all, and without reasonable sacrifice, it is not possible to achieve favorable results.

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