COMMENTARY

Corporate social responsibility: a corporate marketing perspective

Diogo Hildebrand and Sankar Sen
Zicklin School of Business, Baruch College, City University of New York, New York, New York, USA, and
C.B. Bhattacharya
European School of Management and Technology, Berlin, Germany

Abstract
Purpose – The main goal of this paper is to provide an integrative understanding of corporate social responsibility (CSR) from a corporate marketing perspective, highlighting the critical role of CSR in effective corporate marketing strategies.

Design/methodology/approach – The paper is conceptual and draws on the social identification, organisational identity and corporate marketing literatures from the European and US schools of thought.

Findings – The paper integrates and builds on extant thinking in corporate marketing and CSR to provide an identity-based conceptualization of CSR. Based on this, it positions CSR as an optimal managerial tool for promoting alignment between multiple corporate identities (e.g. internal, external), which ultimately leads to key benefits for the company.

Originality/value – The paper is the first to highlight the unique role of CSR in being able to align multiple corporate identities. Furthermore, the paper threads together diverse perspectives on corporate identity and marketing to highlight the potential role of CSR in effective corporate marketing.

Keywords Corporate social responsibility, Corporate marketing, Corporate identity, Europe, Consumer-company identification, Identity alignment, Marketing strategy, United States of America

Paper type Research paper

Introduction
In recent years, few notions have so totally captured the global corporate consciousness as the twin ideas of corporate social responsibility (CSR) and sustainability. While both ideas have followed somewhat parallel evolutionary paths, they have converged to convey a unified sense that a company’s long term success, and sometimes even existence (Vaaland et al., 2008), is inextricably tied to its stewardship of not just its own well-being but also that of the natural and social environment in which it operates. This has led more and more forward-thinking companies to take a strategic approach to CSR, devoting unprecedented efforts and resources to creating

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and maximizing what Porter and Kramer (2011) in their Harvard Business Review article have called “shared value” (i.e. value for the company and for society). Some notable efforts aside (e.g. Sen and Bhattacharya, 2001; Balmer et al., 2007; Fukukawa et al., 2007; Simmons, 2009; Maignan and Ferrell, 2004), conceptual questions persist about the relationships between a company, its stakeholders and its CSR, and, in particular, how these three entities come together to create that often elusive shared value (Balmer et al., 2007). In this commentary, we take a corporate marketing perspective on CSR to disentangle these aforementioned links, presenting a model of stakeholder reactions to CSR that furthers our extant thinking on the role and place of CSR in the modern corporation.

At the heart of the strategic approach to CSR is the central and ascendant role of the stakeholder (Fukukawa et al., 2007; Galbreath, 2008; Vaaland et al., 2008; Polonsky and Jevons, 2009). Specifically, companies are increasingly interpreting CSR in terms of the interests of a specific but large and diverse set of stakeholder groups (e.g. consumers, employees, investors, communities, government, environment, etc.) and their efforts are shaped by the strong belief that its endeavours in the CSR domain can elicit company-favouring responses from these stakeholder groups (Sen and Bhattacharya, 2001; Balmer et al., 2007). For instance, a McKinsey survey (2007) of the companies that have signed on to the UN Global compact reveals that of the many different stakeholder groups, the participant CEO’s expect a firm’s customers, employees and governments to have the greatest influence on the way in which companies manage societal expectations during the next five years. Yet, the pulse of the marketplace (see, e.g. Boston College Centre for Corporate Citizenship, 2009) reveals that many companies are still struggling to understand and buy into the demand to be socially responsible, let alone reconciling it with the realities of today’s global, hyper-competitive marketplace.

How then to do well and do good simultaneously? In this commentary, we view this as essentially a corporate marketing question. As made amply clear in the recent special issue of the European Journal of Marketing (for a comprehensive review see Balmer, 2009) understanding and responding to stakeholders is at the heart of corporate marketing. Specifically, in this commentary we try, in line with the theme of this Special Edition, to integrate the European and American perspectives on corporate marketing to provide an identity-based conceptualization of CSR, relating it to the multi-pronged identities of a company. In doing so, we highlight CSR’s unique ability to unify the disparate identities of a company (Balmer et al., 2009), positioning it as a pivotal instrument of corporate marketing. In particular, we suggest that by taking the CSR perspective delineated in this commentary, managers will be able to build a more congruent, coherent corporate identity and, consequently, more enduring and significant relationships with its stakeholders.

**Corporate marketing**

At the forefront of current thinking on corporate marketing (CM) is the work of Balmer, who views it as a natural outcome of the evolving marketing orientation of the firm from production and manufacturing to relationship marketing (Wilkinson and Balmer, 1996; Balmer, 1998, 2009; Balmer and Greyser, 2002, 2006; He and Balmer, 2007, Powell et al., 2007a, b; Balmer et al., 2009). In formulating what he coined the Corporate Marketing Mix, Balmer (1998, 2001) proffered CM as a strategic perspective guiding a
company’s thoughts and actions that centres on the fundamental question: “Can we as an institution have meaningful, positive and profitable bilateral on-going [long-term] relationships with customers, and other stakeholder groups and communities?”. Balmer argues that the end-focus of corporate marketing is value creation (Balmer, 1998, 2001, 2009; Balmer and Greyser, 2006). In other words, it is not just profit maximization but also, more broadly and perhaps critically, business survival and the satisfaction of societal needs. An inherent part of this focus is the need to balance current stakeholder and societal needs with those of the future. Given this conceptualization of corporate marketing, it is easy to see how it dovetails very nicely with the motivations and objectives of CSR, providing an almost ideal conceptual lens through which to view and understand its location in the firm-stakeholder landscape.

In deconstructing the notion of corporate marketing, Balmer articulates the six C’s, which comprise the elements of its guiding philosophy. These are articulated from the company’s perspective, as Character (“What we indubitably are”), Culture (“What we feel we are”), Conceptualizations (“What we are seen as”), Covenant (“What is promised and expected”), Constituencies (“Whom we seek to serve”), and Communication (“What we say we are”) (Balmer and Greyser, 2006). While the disciplinary foundations of these elements are often distinct, we can see that they all have to do with the interactions between the company’s views of itself and its stakeholders. In that, these C’s pertain to the various identities of the company, including those inferred by the various internal and external stakeholders. In other words, central to a corporate marketing perspective are the two notions of identity and stakeholder, something which has been fleshed out in illuminating but sometimes conflicting ways by a variety of scholars (e.g. Balmer, 1998, 2008, 2009; Brown et al., 2006) in both Europe and North America.

Thus, a corporate marketing perspective on CSR raises two fundamental questions:

1. How can we better understand CSR in terms of the various identities of the company? And, perhaps more importantly, in light of this understanding:
2. What does CSR do for the stakeholders, and how do the latter react to the former?

We address these two conceptual questions in the remainder of the commentary.

**How is CSR connected to the identities of a company?**

An exploration of CSR and its links to company identity is complicated by the fact that thinking in this domain has yielded a variety of identities. In his articulation of identity based views of the corporation (see Figure 5 in Balmer (2008) for an edifying taxonomy of identity types), for instance, Balmer has argued for a distinction between the actual, objective identity of a company and that perceived by its stakeholders (Balmer et al., 2009; Powell et al., 2009; Balmer, 2008; He and Balmer, 2007; Powell, 2007; Balmer and Greyser, 2006). While the former is labelled Corporate Identity (i.e. Character in the 6C’s), the latter are captured jointly by Organisational Identity (i.e. Culture in the 6C’s), which is how the internal stakeholders view the organisation and Corporate Reputation (i.e. Conceptualizations in the 6C’s), which is how external stakeholders view the organisation.

Implicit to the (alternate but clearly related) perspective of Brown et al. (2006) is the notion that what ultimately matters are the necessarily subjective associations of a
company’s stakeholders. Thus, they bypass the actual identity of the corporation (i.e. Balmer’s corporate identity/actual identity) to designate the internal stakeholders’ view of the company (i.e. Balmer’s organisational identity) as the only identity of the company. Related to, and no doubt guided by, the desired and ideal identities as well as Balmer’s (2008) communicated identity (i.e. “What traits are reflected in the identification emitted from the corporation?”) is Brown et al.’s (2006) notion of intended image, which are the mental associations about the company that organisational leaders want important stakeholder groups to hold. This is largely achieved through one of the 6C’s, Communication (i.e. corporate communication), which is what the company says it is to its external stakeholders. This is distinguished from the mental associations that the company actually believes external stakeholders hold about the organisation, which Brown et al. (2006) label construed image. Importantly, both Balmer (Balmer et al., 2009; Balmer and Greyser, 2006) and Brown et al. (2006) convey that corporate communications ultimately affect corporate reputation, which is the set of mental associations about the company that are actually held by the external stakeholders. If anything, then, Brown et al.’s (2006) notion of reputation is an outcome, at least in part, of corporate communications, and reflects both the actual identity of the company as conceived by Balmer (i.e. corporate identity) and its communicated identity.

Clearly, disentangling these different perspectives – a heady task – is not the central aim of this commentary. However, it does seem that an integrative understanding of the different identities discussed previously is essential to the appropriate location of CSR in this landscape. With that objective, we adhere to Balmer’s definition of corporate identity as the actual traits of the company. However, we use the more descriptive label from Balmer’s earlier work (i.e. Balmer and Greyser, 2002): actual identity. We distinguish this from organisational identity, which we conceive as the subjective perceptions of a company’s identity by its internal stakeholders, and call, quite simply, the perceived identity. This, in turn, is different from what we label the intended identity, which for the sake of simplicity, includes both how the company wants to perceive itself (e.g. ideal identity, desired identity) and how it wants others to perceive it (intended image). Finally, we align with Brown et al. (2006) and Balmer and Greyser (2006) in rooting the notion of corporate reputation in the minds of the external stakeholders; implicit to this delineation is the notion that those external to the company are not typically privy to its identity per se. In sum, the three identities all reside within the company (and its internal stakeholders), whereas reputation lies outside the company, in the minds of the external stakeholders.

Turning finally to the question guiding this parsing of ideas about the company: where does CSR fit in? Research in the fields of organisational behaviour, management and marketing (e.g. Currás-Pérez et al., 2009; Balmer et al., 2007; Worcester, 2009; Lichtenstein et al., 2004; Maignan et al., 2005) all convey fairly clearly the sense that CSR both emanates from, and in turn determines, the interactions between the actual identity, the perceived identity, and the intended identity. For instance, Wilkinson and Balmer (1996) observed in an early case study on corporate identity that the ethical standards applied by a bank stemmed, using the terminology previously presented, from its actual identity and influenced strongly both the intended and perceived identities of the organisation. This suggests that what the company is (e.g. a maker of consumer packaged goods), what its internal stakeholders believe it is (e.g. the
employees’ beliefs about the central, enduring and distinctive traits of the company) and what they want it to be (e.g. values that the company aspires to; key strategic objectives) all inform the specific CSR actions the company engages in. In turn, the CSR actions determine not only the perceived and intended identity of the company, but also its actual identity (e.g. a company that invests in renewable sources of energy), conceptualized more specifically and cogently as the ethical identity (Balmer et al., 2007).

Implicit to this reciprocal determinism between CSR and the three identity dimensions is the notion that the ultimate voice in taking CSR action lies with the company and its internal stakeholders. However, this is clearly an incomplete story; what of the external stakeholders? While the boundary between internal and external stakeholders is becoming increasingly blurred, at least for certain groups and types of external stakeholders (e.g. consumers that are strongly embedded in the network of the company through, for instance, co-creation activities (Bhattacharya and Sen, 2003)), most external stakeholders today are not the enactors per se of CSR. Instead, they learn about a company’s CSR through both corporate communications, which conveys a company’s intended identity, and, critically, other, often countervailing viewpoints expressed by the media and stakeholders both internal and external (see Sen et al. (2009) and Du et al. (2007) for a more detailed treatment). These pieces of information, both CSR and non-CSR related, together are interpreted by external stakeholders to comprise the reputation of the company (Bhattacharya and Sen, 2003; Brown and Dacin, 1997). As in the case of perceived identity, the link between CSR and reputation is contingent on the stakeholder’s awareness of the company’s actions, which our research suggests can often be fairly low, as well as a set of beliefs about why the company is doing what it is doing (i.e. causal attributions about a company’s CSR actions), and how well it is doing so (Ellen et al., 2006). These attributions in turn are tied to the sincerity or perceived authenticity of the company’s CSR actions (e.g. greenwashing). Dissonances between rhetoric and practice can tear a company identity apart (Bernstein, 2007; Greyser, 1999; Tsai, 2009), and such dissonances are in fact often determined to a major extent by stakeholder perceptions of the how and to what extent a company actively communicates its CSR actions to external audiences.

In sum, a company’s CSR actions are both an outcome of the negotiated interactions between the three related but distinct identities of a company as well as a key determinant of these identities. In particular, these actions, taken by internal stakeholders, are reflective of both the aspirations and the realities of the company and determine the values and traits of its ethical identity (Balmer et al., 2007). These actions, in turn, impact external stakeholders, sometimes directly (e.g. in the case of the stakeholder groups that are the target of specific CSR actions) but are mostly mediated through the three identities, which they learn about through both corporate and other communication channels. What the external stakeholders come to think, believe and feel about the company as a result of these intimations comprises the reputation of the company. This perspective suggests that the several identities of a corporation and its CSR initiatives are not discrete entities, but they are formed from and influenced by the relationship between parties within the community (Balmer et al., 2007).

Next, given our understanding of the relationship of CSR to the identities and reputation of a company, we focus on how and why these CSR actions influence stakeholders’ reactions towards the company.
How and why do a company’s CSR actions affect its stakeholders?

Much research, both academic and otherwise, has contributed, over the last few decades, to the growing consensus that a company’s stakeholders react to its CSR actions in a myriad of positive, though contingent, ways (Sen and Bhattacharya, 2001; Worcester, 2009). For instance, consumers are likely to buy more or pay a higher price for products from a socially responsible company (Trudel and Cotte, 2009). Similarly, recent research in the USA suggests that CSR actions can give a company an inimitable upper hand in the war for talent (see also Bhattacharya et al., 2008, 2009). However, until recently, much less was known about precisely when and how a company’s CSR actions produced such favourable reactions from its stakeholders.

In our approach to these key questions, we have taken an identity-based perspective (Bhattacharya and Sen, 2003; Sen and Bhattacharya, 2001), inspired by the long and rich tradition of organisational identity thought (Albert and Whetten, 1985; Ashforth and Mael, 1989). We contend that a company’s CSR actions are likely to mean the most to stakeholders, both internal and external, and are most likely to elicit in them a set of pro-company reactions, when such actions lead them to identify with the company. In other words, we have argued that under a specific but identifiable set of circumstances, a company’s CSR programs are able to fulfil stakeholders’ higher-order self-definitional needs, and hence enable the stakeholder to identify with the company. This is based on research on social identity (Tajfel et al., 1971) and, more specifically, organisational identification (Ashforth and Mael, 1989; Bergami and Bagozzi, 2000), which suggest that individuals often identify with organisations they belong to (e.g. employees with employer organisations), incorporating favourable aspects of the organisational identity into their own identity to satisfy certain basic, higher-order self-related needs (Dutton et al., 1994). These include the needs to know oneself (i.e. self-definition), to feel good about oneself (i.e. self-enhancement) and to feel special (i.e. self-distinctiveness).

Although this notion of identification has traditionally been restricted to formal membership contexts that are more germane to internal stakeholders, we and others (Bhattacharya and Sen, 2003; Simmons, 2009; Polonsky and Jevons, 2009; Berrone et al., 2007; Scott and Lane, 2000) have argued that in today’s marketplace, as many external stakeholders (e.g. consumers) learn more about and develop relationships with not just products but also the organisation or people behind the products (McAlexander et al., 2002), they are drawn, like their internal counterparts, to identify, volitionally, with a select few of such organisations (i.e. the companies) even though they are not formal members.

The basis for such identification, or stakeholders’ perceived sense of overlap between their own identity and that of the company, are the company-related associations that make up its perceived identity (in the case of internal stakeholders), or reputation (in the case of external stakeholders). It is worth noting that these company-specific knowledge structures typically comprise of stakeholders’ knowledge about two basic aspects of the company: its expertise in producing and delivering its products/services (i.e. CA associations), and its activities with regard to important societal issues (i.e. CSR associations; Brown and Dacin, 1997).

Importantly, we argue that stakeholders’ identification with a company is actually more likely to be based on the ethical identity shaped by its CSR rather than on CA associations because CSR associations provide consumers with insight into its “value system”, “soul”, or “character” (Balmer et al., 2007; Balmer and Greyser, 2006; Brown
and Dacin, 1997; Sen and Bhattacharya, 2001). In other words, a company’s character as revealed by its CSR actions is not only fundamental and relatively enduring but also often more distinctive by virtue of its idiosyncratic bases (e.g. sponsorship of social cause, environmentalism) than other CA-based aspects of a company’s schema held by both internal and external stakeholders. Therefore, a company’s CSR activities are likely to constitute the core, defining or the central, distinctive and evolving (Balmer, 2001) characteristics of its corporate identity, triggering identification. Interestingly, these notions (see Bhattacharya and Sen, 2003 for the full model, particularly for the consequences of identification in the consumer domain) have received significant empirical support in recent years (Curra’s-Pérez, 2009; Lichtenstein et al., 2004; Podnar and Golob, 2007; Pelzoa and Papania, 2008; Morsing and Schultz, 2006; Marin et al., 2009; Curra’s-Pérez et al., 2009).

In sum, our identity perspective on CSR suggests that it can elicit favourable reactions from a company’s stakeholders by causing them to identify with it. More specifically, based on some recent work, we suggest that this is particularly likely when both the company and the stakeholder have collectivistic identity orientations as opposed to individualistic or even relational ones (Brickson, 2007). Organisational identity orientation, grounded in individual identity theory (Brewer and Gardner, 1996), refers to the “assumed nature of association” between an organisation and its stakeholders, as perceived by its internal stakeholders or members. Importantly, Brickson (2007) suggests that this orientation not only influences the nature of a company’s CSR engagement but also its stakeholders’ perceptions of why it is engaging in CSR. While companies of all orientations can create CSR value, albeit of different kinds (see Brickson (2007) for a detailed treatment), a company with a collectivistic identity orientation is most likely to elicit CSR-based identification from both its collectivistic internal and external stakeholders based on not only their greater innate propensity to identify, rather than maintain atomistic, instrumental connections with social others, but also their greater likelihood of trusting the motives of the company as altruistic and collective welfare enhancing. In that sense, companies with collectivistic identity orientations are, at the limit, perceived to have ethical identities or reputations (Balmer et al., 2007), making stakeholders most likely, based on our previous discussion, to identify with them. As well, the perceived identity and reputation of such companies are likely to be seen as most authentic (Leigh et al., 2006; Gilmore and Pine, 2007; Thompson et al., 2006) by their internal and external stakeholders respectively, increasing, again, the likelihood of identification.

**Conclusion: CSR and corporate marketing**

Our identity perspective on CSR provides marketers with a new objective for their CSR strategies: the construction of perceived identities and reputations that are identification-worthy. Indeed, CSR appears to be a near-perfect vehicle for the corporate marketing efforts of most companies, done right, it can cause important stakeholders of all stripes to form strong and long-lasting identification-based bonds with the company. A key thrust of corporate marketing, then, needs to be the thoughtful and meaningful formulation, implementation and assessment of CSR strategies that are not as much imposed on the various stakeholder groups but are, instead, co-created. Next we present briefly the theoretical and practical implications of this corporate marketing perspective on CSR.
**Theoretical implications**

The present paper proposes a corporate marketing perspective to understand the strategic role of CSR inside and outside the corporation. In particular, we draw on the complementary perspectives of American and European thought in this domain to articulate the relationships between the related ideas of actual identity, perceived identity, intended identity, and reputation, locating CSR within the resulting network. In other words, we provide an integrative conceptualization that positions CSR at the centre of the network of concepts embraced by corporate marketing thinkers in both the Americas and Europe. Furthermore, we suggest that CSR has both direct and indirect effects on corporate reputation and organisational identity. Specifically, the effect of CSR initiatives on the different corporate identities is moderated by organisational social value and mediated by corporate communications and identity authenticity. Even though some scholars have already observed the role of these variables on a company’s strategy (e.g. Brickson, 2007; Morsing and Schultz, 2006; Wicki and Kaaij, 2007), a more detailed analysis of the moderation and mediation processes from a corporate marketing perspective could contribute significantly to our understanding of CSR initiatives as a strategic lever. Further, we suggest that CSR is a quasi-perfect strategic lever for corporate marketing as it can help align a company’s different identities. However, an empirical test of this proposition is still required. In order to accomplish this important task, scholars need to analyze through a corporate marketing lens the formulation, implementation and evaluation of a comprehensive CSR program, i.e. a program that takes into consideration the guidelines listed in the Practical implications section which follows (for a detailed methodology to measure the alignment of corporate identities see Balmer and Soenen, 1999; Balmer and Greyser, 2002; and Balmer et al., 2009).

**Practical implications**

This commentary builds on the growing body of research on the identity-defining nature of a company’s CSR actions (Zollo et al., 2009; Balmer et al., 2007; Berrone et al., 2007; Schultz and Wehmeier, 2010; Tsai, 2009) to argue that by engaging in CSR activities, companies will be able to communicate to relevant external stakeholders valuable characteristics of their identity, thereby building an attractive corporate reputation. More importantly, by communicating it internally and engaging employees in CSR activities, managers will successfully promote congruence between the corporate identity as perceived by external stakeholders (i.e. corporate reputation) and internal stakeholders (i.e. perceived identity). This suggests that CSR activities should not be managed by or restricted to a specific area of the company (e.g. the Corporate Communications or even CSR department). Instead, it should be integrated into the entire fabric of the company, aligning all areas of the organisation, from Human Resources to Public Relations to Marketing. We attest that only this interdisciplinary approach will allow the company to excel in what Balmer et al. (2009, p. 6) called “one of the most critical tasks to be undertaken by senior executives”, and consequently render powerful benefits for the company (Simmons, 2009). That is the challenge facing companies today: a CSR strategy that requires thought, effort and dedication but which, done right, can not only reap bountiful societal and environmental returns but also earn the enduring devotion, respect and loyalty of its stakeholders.
References


About the authors
Diogo Hildebrand is a Doctoral Candidate at the Zicklin School of Business, Baruch College, City University of New York, USA. His research interests are in the area of consumer behavior including consumer identity and consumer-company relationships.

Sankar Sen is Professor of Marketing at the Zicklin School of Business, Baruch College, a senior college of the City University of New York. He received his doctorate in Business Administration in 1993 from the Wharton School at the University of Pennsylvania. Prior to Baruch, he was Associate Professor at the School of Management, Boston University and Associate Professor and Washburn Research Fellow at the Fox School of Business, Temple University. His research interests lie at the intersection of consumer decision making, corporate social responsibility and marketing strategy. His work has appeared in the Journal of Marketing Research, Journal of Marketing, Journal of Consumer Research, Journal of Economic Theory, MIT Sloan Management Review, California Management Review, and other such publications.

C.B. Bhattacharya is the E.ON Chair Professor in Corporate Responsibility and Associate Dean of International Relations at the European School of Management and Technology in Berlin, Germany. He received his MBA from the Indian Institute of Management in 1984 and his PhD in Marketing from the Wharton School, University of Pennsylvania in 1993. His expertise is in developing business strategies that combine “doing well” (i.e. financial performance) with “doing good” (i.e. social and environmental performance). He has published many books and articles in leading academic journals. He has twice been on Business Week's outstanding faculty list, was a finalist for Aspen Institute's Faculty Pioneer Awards and was recently Professor of the Week in Financial Times. He consults for a variety of companies such as AT&T, General Mills, Procter & Gamble and Prudential Bank and is often interviewed and referenced in publications such as Business Week, Forbes, Financial Times, Newsweek, The New York Times, The Wall Street Journal and The Economist.

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