A Marketing Strategy from Corporate Social Responsibility: Lessons from Unilever and Coca-Cola Enterprises

Amye Melton, MeltonA@apsu.edu*
Terry Damron, damront@apsu.edu
James Vernon, james.vernon@point.edu

Abstract
This paper will research two organizations listed on the 2015 Dow Jones Sustainability World Index: Unilever, which has appeared on the DJSI World since the index began in 1999, and Coca-Cola Enterprises, recognized on the index for the first time in 2015. The aim of this paper is to use a qualitative case study approach to identify CSR marketing strategies used by Unilever and Coca-Cola Enterprises to create economic sustainability. Thereby aiming to provide a marketing strategy framework for CSR efforts to create economic sustainability.

Companies are being saddled with the responsibility to define the business case for sustainability (Banerjee, 2008) (Huang, Yen, Liu, & Huang, 2014; Prutina, 2015). Over the years, sustainability has adapted to new trends in business. Research is comprehensive regarding social sustainability and environmental sustainability, however a gap exists in research on economic sustainability. In 2001, Williams defined economic sustainability as "ensuring that future generations have at least the same potential economic opportunities to achieve welfare as the current generation" (p. 21).

Literature Review
Sustainability is defined differently across the literature. The Brundtland Commission's (World Commission on Environment and Development, 1987, p. 8) definition: "development that meets the needs of the present without compromising the ability of future generation to meet their needs" is widely accepted (Gmelin & Seuring, 2014; Mirchandani & Ikerd, 2008; Grinde & Khare, 2008). According to Dow Jones, corporate sustainability is defined as "a business approach that creates long term shareholder value by embracing opportunities and managing risks deriving from economic, environmental, and social developments" (Dow Jones Sustainability Index, 2009). Bhardwaj (2014) stated CSR is simply limiting the negative effects to the natural, cultural, and social environment.

Sustainability performance includes three criteria for measurement: economic, environmental, and social sustainability (Makipere & Yip, 2008; Wolf, 2014). Wolf (2014) conducted research reflecting the causal relationships between environmental and social sustainability, but did not include economic performance. While researchers state economic sustainability is reached when the organization creates value, stakeholders assign varied definitions to the term "value" (Pitelis, 2013, Epstein, 2008). Researchers state that economic sustainability is reached when the organization creates value. Value is an ambiguous term (Pitelis, 2013). Value to a stockholder may be a return on their investment, value to a stakeholder may be the company's community outreach program (Epstein, 2008). Beyond just looking at profit, the lack of a clear way to measure and determine economic sustainability, beyond profit, is a problem. The possibility exists that research is lacking due to belief in Carroll's Pyramid of Social Responsibility (Carroll, 1991). Carroll stated that economic sustainability served as the foundation of social responsibility. Therefore, you would not have legal, ethical, and philanthropic responsibilities without first meeting the organization's economic responsibility (Carroll, 1991).

Research continues to develop empirical evidence reflecting CSR having a positive relationship with financial performance (Lee & Maxfield, 2015). A quantitative study by Peloza (2009) found relationships between social performance and financial performance.

Corporate Social Responsibility is often either built-in or bolted-on to an overall marketing strategy. Weber (2014) and Prutina (2015) stated the CSR efforts of an organization should be aligned (built-in) with the business strategy. Munro (2013) stated strategic planning should include sensitivity to customer loyalty based on CSR. Therefore, we can reason that companies may see cost advantages with strong CSR plans. Nyborg (2013) found employees will accept less compensation from an organization with a strong CSR plan. Irregardless of a contribution to the bottom line, stakeholders and shareholders are expecting a higher ethical standard regarding the organization's external environment (Sledge, 2015).

In 2015, Dwivedi and Sinha suggest positive purchasing decisions may be created when organizations use CSR as a branding tool. When consumers have believe an organization is behaving socially responsible, purchasing intentions are positively influenced (Huang, Yen, Liu, & Huang, 2014). Bhardwaj (2014) found a correlation between customer loyalty and positive CSR efforts.

Methodology

The qualitative business case study is a strategy of inquiry exploring a topic in depth (Creswell, 2009). The approach ensures the issue is not explored through one lens, but rather a variety of many possible viewpoints to help to reveal and understand the concepts associated with the study. According to Baxter & Jack (2008), a common problem associated with case studies is the researchers' tendency to attempt to answer too broad questions or topics with too many objectives. To avoid this problem, Yin (2003) and Stake (1995) suggested placing boundaries on a case. This case is bound by time and by activity; only two companies, dealing with sustainability and marketing strategy.

References

Banerjee, S.B. (2008). Corporate social responsibility: The good, the bad and the ugly. *Critical Sociology*, 34(1), 51-79.

Baxter, P. & Jack, S. (2008). Qualitative case study methodology: Study design an implementation for novice researchers. *The Qualitative Report*, Vol. 13, No. 4, pp. 544-559.

Bhardwaj, L. (2014). Corporate social responsibility & customer satisfaction with respect to hospitality industry. International *Journal of Applied Services Marketing Perspectives*,3(4), 1390-1398.

Carroll, A.B. (1991). The pyramid of corporate social responsibility: Toward the moral managemet of organizational structures. Business Horizons. Carter, C. R., & Rogers, D. S. (2008). A framework of sustainable supply chain management: Moving toward new theory. *International Journal of Physical Distribution & Logistics Management*, 38(5), 360-387.

Creswell, J.W. (2009). Research design: Qualitative, quantitative, and mixed methods approaches.

Dow Jones Sustainability Index. (2009) Retrieved from: http://www.sustainability-indices.com/images/review-presentation-2009.pdf

Dwivedi, A., & Sinha, S. (2015, July). CSR and the brand image. Retrieved April 06, 2016, from http://go.galegroup.com.ezproxy.lib.apsu.edu/

Epstein, M.J. (2008). Making sustainability work: Best practives in managing and measuring corporate social, environmental, and economic impacts. Berrett-Koehler Publishers. California. ISBN 13:9781906093051. 1st edition

Gmelin, H. and Seuring, S. (2014). Achieving sustainable new product development by integrating product life-cycle management capabilities. *International Journal of Production Economics*, 154, 166-177.

Grinde, J. & Khare, A. (2008). The ant, the grasshopper or Schrodinger's cat: An exploration of concepts of sustainability. *Journal of Environment Assessment Policy and Management*, 10(2), 115-142.

Huang, C.-C., Yen, S.-W., Liu, C.-Y., & Huang, P.-C. (2014, January). The Relationship Among Corporate

Social Responsibility, Service Quality, Corporate Image, and Purchase Intention. *International Journal of Organizational Innovation*, 6(3), 68-84.

Lee, J. and Maxfield, S. (2015). Doing well by reporting good: Reporting corporate responsibility and corporate performance. *Business and Society Review,* 120(4), 577-606.

Makipere, K. and Yip, G.S. (2008). Sustainable leadership. London Business School: Business Strategy Review.

Munro, V. (2013, September). Stakeholder preferences for particular Corporate Social Responsibility (CSR) activities and Social Initiatives (SIs): CSR initiatives to assist corporate strategy in emerging and frontier markets. *The Journal of Corporate Citizenship*, (51), 72+.

Nyborg, K., & Zhang, T. (2013). Is corporate social responsibility associated with lower wages? *Environmental and Resource Economics*, 55(1), 107-117.

Peloza, J. (2009). The challenge of measuring financial impacts from investments in corporate social performance. Journal of Management, 35(6), 1518-1541. Pitelis, C.N. (2013). Towards a more 'ethically correct' governance for economic sustainability. *Journal of Business Ethics*, 118, 655-665.

Prutina, Z. (2015). Diagnosing the corporate social responsibility culture. *Ekonomski vjesnik*, 28(2), 441-456. ProQuest. Web. 5 Apr. 2016. Retrieved from http://search.proquest.com.ezproxy.lib.apsu.edu/docview/1755856863/fulltextPDF/1C33C0DDDF4E4CECPQ/1?accountid=8437

Sledge, Sally. (2015). "An examination of corporate social responsibility practices and firm performance in U.S. corporations." *Academy of Strategic Management Journal*, 14(2), p. 171.

Stake, R.E. (1995). The Art of Case Study Research. Thousand Oaks, CA: Sage Publications.

Weber, C. M., J.D., & Gerard, J. A.,PhD.C.P.A. (2014). Reconfiguring compliance for corporate social responsibility. *Journal of Economic Development, Management, I T, Finance, and Marketing*, 6(2), 32-47.

Williams, E. (2001). Blueprint for a sustainable economy by david pearce and edward B barbier, 2000. earthscan, xiv+273 pp, L12.95 (pbk). ISBN 1 85383 515 3. Business Strategy and the Environment, 10(4), 254. Wolf, J. (2014). The Relationship between Sustainable Supply Chain Management, Stakeholder Pressure and Corporate Sustainability Performance. *Journal of Business Ethics*, 119 (3), 317-328.

World Commission on Environment and Development (1987), Our Common Future, Oxford University Press, New York, NY.

Yin, R.K. (2003). Case Study Research: Design and Methods (3rd Ed.). Thousand Oaks, CA: Sage Publishing.

Keywords: *marketing strategies, corporate social responsbility, sustainability, economic sustainability, environmental sustainability, social sustainability*

Relevance to Marketing Educators, Researchers and Practitioners: The research will have an impact on marketing practitioners and strategy leaders on best practices of communicating sustainability efforts to stakeholders and shareholders.

Author Information:
Amye Melton is an Instructor of Management at Austin Peay State University.

Terry Damron is an Instructor of Marketing at Austin Peay State University.

James Vernon is an Adjunct Instructor at Point University.

Track: Marketing Strategy