

The brand and corporate mission for the perspective of corporate social responsibility

Author: Mateusz Rak

Abstract

The paper shows an attempt to analyse banks from the perspective of the CSR concept presented in their brands. Banks have been chosen for the analyses as they are companies active in pro-social actions and the society requires from them responsible behaviour.

The paper aims to find answer to the question whether and to what extent company's acceptance of the concept of corporate social responsibility influences building a brand identity and its increase in value for the customer.

Keywords: CSR, Corporate Social Responsibility, brand

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Introduction

Today we observe changes to the way companies behave in the market which results from the fact that they develop a market orientation. It involves accepting the principle that a company's success depends on offering more in a better way (a competitive advantage) as compared to other competitors in the market. This approach is exemplified by formulation and development of the concept of *Corporate Social Responsibility* which denotes inclusion of corporate social objectives into business objectives. In practice it makes commercial companies complete ethical, ecological and social tasks for the benefit of their stakeholders.

The paper aims to find answer to the question whether and to what extent company's acceptance of the concept of corporate social responsibility influences building a brand identity and its increase in value for the customer¹.

The paper will make an attempt to analyse banks from the perspective of the CSR concept

presented in their brands. Banks have been chosen for the analyses as they are companies active in pro-social actions and the society requires from them responsible behaviour.

Corporate Social Responsibility (CSR) and the brand in creating the value for the customer

The growth in social consciousness has caused the change of the orientation in management of enterprises. The customer needs and requirements of the social and natural environment are the starting point for business decisions at present. These changes result in the fact that enterprises look for solutions that the society awaits. The concept of corporate social responsibility differentiates 4 layers of responsibility towards expectations of the society (G. Baran 2006:p.106): economic, legal, ethical and philanthropic (table 1).

Examples presented in table 1 understood as socially responsible may be treated as a code for good business practices whose compliance by companies secures ethical actions. Presented CSR areas are complementary and may generate an additional value which is favourable for

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Table 1. Types corporate social responsibility

Type of responsibility	Social expectations	Example effects
Economic	Required by The society	Generating a profit Maximization of sales revenue and minimization of costs Making good strategic decisions Pursuing sound policy of profit distribution
Legal	Required by the society	Abiding law- complying with all regulations Obeying regulations concerning environment protection and consumer right Complying with the labour law Counteracting corruption Meeting all contractual liabilities Respecting guarantees
Ethical	Expected by the society	Avoiding doubtful behaviour Acting in accordance with the law and its spirit Treating law as an unconditional minimum and un- dertaking actions above that minimum Securing ethical leadership, an example for the entire organization
Philanthropy	Appreciated- de- sired by the society	Being a good corporate citizen Running programmes supporting the society- e.g. educa- tion, health services, culture, municipal services Taking care of the quality of the social life Involvement in volunteering

Source: A.B. Carroll, A.K. Bucholtz: *Business and Society. Ethics and Stakeholder Management*. Thomson Learning, South-Western College 2003 s. 39, za: G. Baran: "Corporate Social Responsibility and Philanthropy III Sector" no 6 summer 2006 p. 106.

an enterprise, the environment and customers. It is confirmed by research results conducted by the Social Communication Foundation which have shown that the most important signs of pro-social actions from the society's perspective are actions as follow (Report on: Attitudes towards CSR. IPSOS, Warsaw 2009):

- Obeying the law and running a reliable and fair business with respect of customers, employees and contractors,
- Establishing an appropriate organizational culture inside the company securing employees with respect for their rights and development opportunities,
- Acting for the benefit of the community the company operates in involving participation in charitable actions such as giving products, financial support, using organizational logistic possibilities, organizing events, picnics etc.

Corporate social responsibility comprises the entire company policy (internal and external) meaning its actions undertaken for the benefit of employees, customers, shareholders, suppliers and lobby groups. Efficiency of these actions is dependent not only on companies but also customers and the entire society. Moreover if they are to serve the environment, they have to respond social problems (e.g. ecological, cultural, health etc.) and recipients of these social corporate activities should be susceptible to them. This is a condition for acceptance and support

for corporate social activities as well as benefiting from results i.e. related social and economic benefits. Companies expect to improve their image resulting in the growth of the company value. That is why CSR may help companies only when intentions of social programmes are ethical however it may ruin a positive image when it turns out that customers have been misled or motives of company's actions are not explicit (David S. Walter, Roman Lanis 2009:p.109).

Corporate social responsibility in the above understanding is compliant with the approach of the European Commission expressed in a document from 2001 (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2001) defining CSR as a concept where enterprises voluntarily include social interests, environment protection and relations with various stakeholders into their strategies. In 2011 the European Commission elaborated a strategy for introducing and disseminating the CSR concept over the years 2011-2014 which modified CSR definition emphasising the importance of the impact of corporate actions on the society (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2011). This is how the role of pro-social activities of enterprises was highlighted in mitigating the present crisis.

The results are other goals of pursuing the CSR strategy. The results are difficult to measure as CSR has a double nature of additional benefits:

- Tangible ones such as revenue and savings- easily calculated
- Intangible such as social capital, confidence, relations- difficult to calculate

The benefits often arise after a long time and it is difficult to assess how CSR influences them. Despite this fact CSR mainly is expected to produce a positive image of an enterprise. 74% of respondents indicated the above in the research of PwC and SMG\KRC (Assessment of Implementation of Corporate Social Responsibility Standards 2014:p.79). More interestingly 45% and 21% of respondents pointed to revenues and saving respectively. It means that entrepreneurs value more intangible results such as employee motivation (58%), good relations with the environment (42%), stability and predictability (21%).

The research carried out in March 2011 (Assessment of Implementation of Corporate Social Responsibility Standards 2014) confirmed that Polish entrepreneurs implementing CSR strategy for the purposes of achieving similar results as indicated in the the „Sustainability Survey Report” drawn up by PricewaterhousesCoopers in 2002 (The A-Z of Corporate social responsibility 2010:p.110) which presents 10 most important reasons why companies decide to apply the concept of corporate social responsibility. They are as follows:

1. Enhancing the company's reputation
2. Competitive advantage
3. Reducing costs of business
4. Trends in the industry
5. Involving the Executive Board
6. Increasing the demand
7. Winning new investors
8. Increasing company revenues
9. Shareholders' requirement
10. Access to capital.

According to the World Business Council for Sustainable Development representatives of enterprises taking part in the research on motives of social involvement reveal that companies focus on the need of achieving business goals and then on social goals. That is why we can say that CSR is used by entrepreneurs as a tool for protection against (World Business Council for Sustainable Development 2013:p.4):

- customers boycotting products
- destroying company property by groups of unhappy people (e.g. Greenpeace)

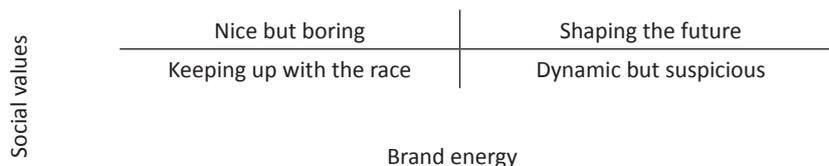
- losing valuable employees, problems with attracting good new employees
- costs related to mistakes made in the future (i.e concerning the image)
- the lack of preparation for new principles and rules
- difficulties with obtaining financial resources and insurances
- shortening product life cycles in an enterprise

The research results present CSR in the role of one of the tools of creating a corporate image. Its role is similar to goals of creating a corporate image through brand creation. Though the term brand according to Ph. Kotler denotes the combination of a name and other elements like colour, letters, signs differentiating a product of one seller from others, it has great importance to creation of an image because it is only repetitive element. Thus it may have a strong impact on customers, employees and the society. The role of an image for an enterprise is similar to CSR (Henryk Mruk 2012:p.153):

- Distinguishing an enterprise in the market from its competitors
 - Building a complete picture of an enterprise
 - Enhanced employee satisfaction combined with employment stability
 - Good position of an enterprise in the near and further environment
 - Ease of launching new products
 - Higher efficiency when counteracting critical situations
 - Possibility of generating higher turnovers and margins
 - Facilitating financial resources
 - ability to attract talents and good employees
- Additionally the brand generates benefits near- expected CSR results such as (Henryk Mruk 2012:p.164):
- knowledge of the brand- distinguishing the brand from the competition
 - satisfaction of consumers from using products- guaranteeing the quality
 - joining a group of product users
 - well-being, positive thinking and economic and social involvement.

Such approximation of results offered by brand creation and CSR has made American researchers establish GodBrand Social Equity Index (Measuring Effectiveness and the Impact of CSR Action 2013) which calculates the value of brand from the perspective of social responsibility. Two values are calculated namely „energy” of a brand and its social value. The researchers consider „energy” of the brand as five brand attributes such as differentiation from other brands, the perceived value of a brand, a possibility of brand

Figure 1. Chart of brand matrix



Source: Measuring effectiveness and the social impact of CSR http://odpowiedzialnybiznes.pl/public/files/Mierzenie%20efektywnosci%20dzialan%20CSR_FOB_2012.pdf p.33 access 20.02.2014.

influencing the environment, its innovativeness also in undertaking actions and originality of the brand (vision). The other variable is constituted by the social value of the brand calculated by researchers by defining six aspects of perceiving the brand by the society. These aspects include ethical behaviour, work relationships, social involvement, taking care of the environment, and emotional closeness with customers, social usability. The researchers outline the matrix of brands (drawing 1)

The research has shown that NGOs position in the quarter called “shaping the future”. FMCG and Softdrinks companies locate on the boundary of this quarter. Banks are positioned in the „keeping up with the race” part. It made me carry out research on identity of banking brands.

Research on the relation between a brand and corporate responsibility

The research conducted an analysis of the brand identity according to J.N Kapferer comparing the elements of corporate social responsibility. Five organizations from the banking sector were chosen to the analysis as this sector as the first in the world undertook corporate social responsibility strategies in a considered way and they are marked “keeping up with the race”. The research asks the question whether the identity of the brand is in line with corporate social responsibility.

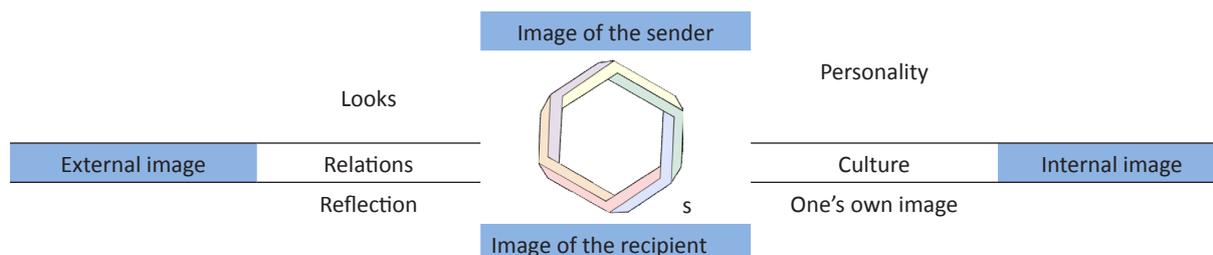
For the purposes of answering this question the identity of the brand must be described. This analysis is prepared in two stages. The first stage comprises collecting the following information:

- a goal and a vision of an enterprise
- Elements distinguishing it from visions of other companies in this sector
- Needs satisfied by the brand
- Durability of the brand
- Values delivered by the brand
- Competence area of the brand impact
- Collection of tangible elements making the brand recognisable.

The next stage gathers data and puts it in the so called brand hexagon (Lechosław Grabarski 2011:p.169) (drawing 2).

A brand can be described by illustrating an enterprise and how the enterprise created the customer’s image. The information is divided by external features like looks, relations and internal features such as personality, culture, an image. The next stage comprises a comparison of the brand identity to CSR areas. This comparison is to observe if CSR influences the brand identity. CSR areas have been taken from ISO 26000 norm (Elaborated on the basis of ISO 26000) approved in 2010. The norm completely regulates CSR. It was elaborated as a collection of standards enabling companies to assess the degree of CSR development. This norm defines CSR principles in main areas of corporate social responsibility i.e (Assessment of Implementation of Corporate Social Responsibility Standards2011),

Figure 2. Brand identity hexagon



Source: Marketing – [8]. Marketing – Key Notions and Practical Applications.. Red Lechosław Grabarski, Warsaw 2011 p.169 after J.Kall Strong Brand. The Essence and Creation, PWE Warsaw 2001 p 28.

- Governance (managing a company in an ethical and transparent way).
- Human rights (respecting completion of corporate goals: citizen, political, economic, social, cultural rights).
- Work relations (company’s relations with cooperating entities and its own employees).
- Protection of the natural environment (prevention of environmental degradation, sustainable usage of resources, reduction of consequences of climatic changes, protection and regeneration of natural resources).
- Fair market practice (ethical corporate behaviour towards other organizations the company has economic and social relations with to eliminate bad practices and give a good example).
- Relations with consumers (obeying principles of transparency and honesty with regard to existing and potential customers).
- Social involvement and development (active participation in solving social problems by helping social organizations in need or members of the society).

On this basis, the research was conducted using materials from banks websites, CSR reports, advertisements and press articles. It was carried out on five banks selected randomly. The research did not include cooperative banks:

- Bank ING
- Bank Nordea
- Bank WBK-BZ
- Bank PKO BP
- BOŚ Bank

The research was of pilot nature. It aims to answer the question whether and to what extent CSR concept accepted by banks influences building brand identity and the growth in its value for the customer. The research was begun with analysing missions and visions of enterprises (table 2). It was supposed to check if analysed banks accept CSR concept.

In the above table one can notice not all the banks have implemented the CSR concept into their mission. Bank PKO BP is the only example, however having analysed its image one can see that this bank is for Poles and it aims to provide the best banking services to young and elderly Poles. Interestingly, the banks implementing CSR on different values and CSR areas present missions and visions of their enterprises. On the basis of differences they try to build their value and a competitive advantage.

Analysing banking brands with respect of establishing bank-customer relationship and common customers’ and banks’ features (table 3) one may notice first differences between banks offering competitive advantages to selected group of customers.

On the basis of the analysis banks are considered to establish strong relationships with customers. BZ WBK addressing younger consumers wants to be like mates who have little time and need to arrange matters quickly. Boś bank wants to have educated and wise customers like itself and wants to treat them as very close acquaintances who can be prompted and they will trust the bank. Bank ING and its customers are the

Table 2. Missions and logos of banks

Name of a bank	Logo	Mission
Bank ING		Setting standards of supporting our customers in planning their financial future
Bank Ochrony Środowiska S.A.		Taking care of You and our environment
Nordea Bank		Providing our customers, employees, shareholders with opportunities
Bank BZ WBK		We think about the future of our country and that is why we invest in young, ambitious and responsible people. We promote social attitudes, we inspire to act, we create possibilities
PKO BP		PKO Bank Polski the Best Everyday

Source: elaboration of one’s own on the basis of informational materials of the banks.

Table 3. Relations and features of banks and customers

Name of a bank	What kind of relations does the bank establish with the customer (Relations)	Features in common between banks and customer (culture)
Bank ING	Like family	Trusting tradition
Bank Ochrony Środowiska S.A.	Close acquaintances	Educated
Nordea Bank	Partners- in life and work	Mutual trust
Bank BZ WBK	colleagues	quick
PKO BP	Business partners	Taking care of safety

Source: elaboration of one's own on the basis of informational materials of the banks.

Table 4. Banks' images presented in logos and brands

Name of a bank	Looks of the bank	Particular features of a bank (personality)
Bank ING	Family bank Bank with traditions	Facilitates planning financial future of customers
Bank Ochrony Środowiska S.A.	Available and friendly	Warm, socially responsible, taking care of the other person
Nordea Bank	Bank which supports	Bank offering possibilities to the entire society
Bank BZ WBK	We are open and energetic	Investing in young, creative and responsible people
PKO BP	Polish bank from Poland	Polish traditional bank everyday

Source: elaboration of one's own on the basis of informational materials of the banks.

family which considers tradition as the foundation for trust and cooperation. Customers of PKO BP are believed to be business partners who take care of financial safety. On the basis of the above table one may say that the consumer relations area in each bank is presented as an element of CSR concept.

Differences between the bank's image in creations and personality of the brand have been presented in table 4. This table also shows areas related to social involvement.

Most banks in the table above create images of themselves as banks which are good for the society whose personality can be trusted because they will not harm the customer or the society. PKO BP is the only bank which does not

create an image like that as it introduces itself as a Polish bank for Poles which may be a way of attracting customers who buy products because of local patriotism.

Table 5 shows what types of customers are presented in the brand image. What types of customers the bank wants to win and what features they have.

PKO BP is the bank which reveals the least CSR concept as its customer looks for a reliable bank and stability. Remaining analysed banks show that a responsible person obeying the law is the most expected customer.

On the basis of gathered materials one can notice that banks identify with corporate social responsibility and it results from their missions

Table 5. An image of bank customers presented in brands

Name of a bank	Bank's customers (reflection)	Features of customers (image)
Bank ING	People who make right decisions. Resourceful, seeking the best solutions, smart people.	Resourceful, seeking the best solutions, cunning people
Bank Ochrony Środowiska S.A.	People taking care of the environment	Highbrows who not only look after themselves. Searching a responsible bank.
Nordea Bank	People expecting clear principles and truthfulness	People who are honest and expect the same from others
Bank BZ WBK	People looking for a friendly bank	Young and energetic people
PKO BP	People searching a reliable bank	Young people searching stability, Poles

Source: elaboration of one's own on the basis of informational materials of the banks.

and visions. Some banks do not highlight social responsibility with their brand but they do undertake such actions for example Bank ING. PKO BP reveals the least aspects of CSR in its brand as its vision strongly refers to a socially responsible bank.

Conclusions

The assumption that brand identity reflects social responsibility turned out not always right having analysed selected Polish banks. The biggest CSR emphasis on the brand occurs in Bank Ochrony Środowiska (Bank of Environment

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Protection) as its mere name refers to CSR, the logo and the image of the customer promoted by the bank. Despite a lot of CSR programmes in case of ING, the brand identity does not reflect even partially its involvement.

To conclude the paper, the brand identity influences the growth in the corporate value for the customer. However corporate social responsibility is not always revealed in the brand identity. That is why there is another question why some companies do not create socially responsible brand identities when they themselves promote the concept of corporate social responsibility in their behaviour.

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Marka i misja firmy w kontekście społecznej odpowiedzialności biznesu

Abstrakt

W prezentowanym artykule znajduje się analiza banków pod kątem przejawów koncepcji odpowiedzialności społecznej przedstawionej w ich markach. Banki zostały przeanalizowane, ponieważ są grupą przedsiębiorstw aktywnych w działaniach prospołecznych oraz społeczeństwo wymaga od banków zachowań odpowiedzialnych.

Celem artykułu jest próba znalezienia odpowiedzi na pytanie, czy i w jakim zakresie przyjęcie przez firmę koncepcji społecznej odpowiedzialności biznesu ma wpływ na budowanie tożsamości marki i wzrost jej wartości dla klienta.

Słowa kluczowe: CSR, Corporate Social Responsibility, marka

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