

Agreements and differences between Corporate Social Responsibility, Social Marketing and cause-related Marketing

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Resumen

Esta investigación se aproxima a la gestión de la Responsabilidad Social Corporativa, el Marketing Social y el Marketing relacionado a una causa, con una mirada hacia stakeholders, haciendo énfasis dentro de estos a los consumidores. En el estudio se observarán las características de cada una de las estrategias empresariales antes mencionadas y se plantearán ejemplos y estudios de caso sobre su ejecución. Algunas de las conclusiones apuntan a que las empresas consumidores dan cada vez más prioridad a sus consumidores lo que repercute en la mejoría de sus productos y servicios y su convivencia con la comunidad.

Abstract

This investigation gets closer to the management of Social Corporate Responsibility, Social Marketing and Marketing related to a cause, with a deep look to the stakeholders, making emphasis inside these consumers. In the study you will be able to observe the characteristics of each of the business strategies before mentioned and examples will be raised and studies of cases on its execution. Some of the conclusions point to the fact that consumer companies give each time more priority to its consumers which have an impact in the improvement of its products and services and its coexistence with the community.

Palabras clave

Responsabilidad Social, marketing, públicos stakeholders, rendición de cuentas, imagen corporativa, perfil de gestión, liderazgo.

Key words: Social Responsibility, marketing, stakeholders, accountability, corporate imagine, management characteristics, leadership.

1. Introduction

Companies evolve as do the communities in which they develop and according to them and their needs changes are adopted in different areas, products, services and strategies of companies. Corporate Social Responsibility (CSR), Social Marketing (SM) and Cause Related Marketing (CRIM), have become new business' approaches as well as their guidelines to relate with stakeholders have been seen as interesting connecting spaces for development for everyone. Both theories related to CSR and stakeholders are just in the early stages of construction. The term stakeholders was first used in 1963 at Stanford University (Tolotti, 2008) and just in this century it is being incorporated into the academic and business environments (Martinez Carbonell & Agüero, 2006; Stern, 2008; Sweeney & Coughlan, 2008; Forética, 2009; Bhattacharya & Sen Korschun, 2009; Raghuram, Roberts, Lemon &

Winer, 2010). Several authors think that the word should be translated literally into Spanish, which would mean "the treasurer of a bet" (Lozano, 1999, Rodriguez & Carballo, 2006; Benavides, Fernandez & Villagra, 2006). From a business standpoint it could be said they are "individuals or groups that tend in some kind of interest on an organization" (Miguez, 2007, p. 186).

Corporate Social Responsibility, Social Marketing and Marketing related to a cause have common and dissimilar elements that make them bond one to another. This work aims to clearly explain these three concepts that are permanently used and often misunderstood by companies and organizations, and state the main influence in one of their stakeholders: consumers. According to this last statement, Van Peborgh is quoted explaining that "adherence of consumers to a brand or product today involves adherence to an identity. For many years there is a tendency for consumers to" identify with brands that seek not only the creation of economic value in the form of profit for the company, but also the creation of social and environmental value: the triple bottom line. " (VAN PEBORGH, p. 58).

This research will start then with an analysis of corporate social responsibility and its evolution, and then make a necessary difference between the definition of Philip Kotler's definition for Social Marketing and the concept of Marketing related to a Cause as a strategy of selling products and services with social added-value.

2. Material and Methodology:

This article outlines a mixed format, combining conceptual overview and applied research both, original and unpublished. In first instance, the objective is to provide a theoretical recapitulation in which it has been discussed concepts and evolution of Corporate Social Responsibility, Social Marketing, Cause Marketing and Stakeholders in the field of Communication and branding, so as to understand their different variations and interpretations. This research is also based on textual and interpretive analysis: concepts, applications and actions are investigated; these indicate business' relationships with stakeholders, especially consumers.

3. Results

Corporate Social Responsibility

The words proposed by Milton Friedman in 1962 in his brief on economic freedom seem to have evolved. He said "The only business of business is business", which proclaimed that corporate social responsibility should be oriented along two axes: a) compliance with laws and regulations of economic activity and b) the rigorous respect for the rules of free competition, as well as the technical and economical competences to use their resources efficiently in order to offer its shareholders the maximum results. In July 2006, The Economist magazine published on its cover a photo of Bill Gates (the richest man in the world at that time) with the headline Billanthropy and the article inside which proposed the following lead: "Warren Buffet" (the second richest man in the world at that time) [1] "joined the Bill & Melinda Gates Foundation to create the world's largest organization." The two richest men in the world joined together in a new way of doing business. On June 26, Warren Buffett donated an estimated \$ 44 billion of his fortune to the foundation created by Bill Gates [1] . This news was interesting in every way. First, it was proclaimed as the highest donation to a foundation (historically the two largest employers who had given fabulous figures to foundations was John D. Rockefeller and Andrew Carnegie, who according to the magazine had donated an estimated 7.2 billion and 4.1 billion - measured in 2006 dollars - respectively). Second, it was an interesting example

of outsourcing for Social Responsibility, an entrepreneur as Buffett donated a great amount of money to the Gates Foundation, instead of providing those resources to a foundation of his own. Buffett when giving the money said something extremely interesting: "I am applying the same strategy to give away my money that I applied when looking to accumulate it: finding good organizations with talented managers and support them." With this, besides making the Bill and Melinda Gates Foundation the world's richest organization, he provided decisive support for the fulfillment of the foundation's mission: to eradicate disease and poverty in developing countries.

Beyond the billions of dollars that entrepreneurs of this scope give and their purpose to understand the new paradigms of business beyond the initial definition of Corporate Social Responsibility Friedman stated in which "companies should do well their own business." Here there are three approaches proposed:

1. The exercise of social responsibility of an organization "engages it to distinguish the consequences of their actions on the various interest groups, internal or external, based on the establishment of certain regulatory standards for themselves to ensure these decisions on social issues. Those standards apply to external practices such as environmental protection or health promotion in the community and staff training. Compliance with these standards requires the development of processes to identify, implement and evaluate the organization's ability to anticipate, respond and manage the issues and problems that may arise in different social demands or expectations of each stakeholder ".(Schvarstein, p. 27). CSR implies that consumers, as major players within the groups of interest, not only prefer certain companies based on their products and services, but they are very interested in knowing they provide welfare to all its stakeholders. Starbucks [Iii] sums up this premise in its mission: "First, the very people of Starbucks employees are to be treated well because business and the brand depend on their motivation. Second, the dimension of liberal thought which Starbucks is going to look in European cafes. Third, the true coffee lovers are the core of loyal customers who have been behind the basis and original development of the company since 1971. Fourth are the customers with different needs and interests that Starbucks must understand and serve while remaining true to its core product. Fifth, local interest groups and global communities affected by the presence and activities of Starbucks. And finally, the financial public, market analysts and investors, but also, and that's important, the partners themselves, as they too have a stake in the wealth of the company.

2. Zabalegui Lesmes stated that "there are no socially responsible companies in its fullness, but good social responsibility practices, or companies with responsible management models, practicing continuous improvement regarding their social, laboral and environmental concerns. Thus, we find companies with good balance plans or models of environmental sustainability, others with non-discriminatory selection policies, some with good corporate governance or exemplary in community involvement, but hardly a company can cover all areas that make up the social responsibility and manage all with real coherence and effectiveness." (LESMES, p.9). We believe that part of the strategy to achieve "consistency and effectiveness "is to consider the concept of social responsibility as a communication strategy. Research on the emotional attachment that creates social responsibility and strategies (such as Cause Related Marketing) with the community and consumers is very interesting. Among these, developed by Instituto de Estudios Superiores de la Empresa and Agencia de Valores y marketing, in Spain a few years ago, which stated that "43.8% of companies have implemented programs, they have done it to exercise social responsibility and 27.1% because it improves the brand's positioning". In this same study it is noted that "70% of companies surveyed say it is a form of communication with customers and meets the desire to identify with the feelings of the consumer and improve the perception of the product." The Body Shop [Iv] in addition to being a cosmetics company, dedicates the revenues of its business to work for the defense of human rights and the protection of animals. Its main target is women and they were the pioneers in creating permanent campaigns to promote self-esteem among women. Anita Roddick who owns the company

said in an interview "The beauty is joy, energy, strength and self-love instead of the ideal traits or actions that appear in fashion magazines. It is immoral to make women feel continually dissatisfied with their body." With this the company's president showed that she was interested in a deeper contact with their consumers and sought to create synergy through communication with their consumers to talk about their physical and mental wellness for themselves and their body.

3. One of the problems that CSR faces is that it is normally thought to be a valid strategy only for large companies, but it is believed there are interesting examples of small and medium businesses that have relied on Social Responsibility Environment to develop their organizations. In Ecuador in the province of Cotopaxi there is a community company that produces different inputs CRACYP [V] is a nonprofit organization facilitating reforestation and sustainable rural development in an agricultural area affected by extreme poverty which includes more than 200 communities in the foothills of the western Andes. "Progreso Verde" is a CRAC YP long term project, in which the agency CADO pays its shareholders a fair price for their organic alcohol and a "social reward" for community projects developed. They also receive a share of the profits as partners. Some of the younger members receive training in marketing and quality control. Other communities are in process for joining CADO, so that more than 280 families now have the opportunity to fight poverty without losing their lifestyle nor destroying traditional environment. CADO has an organic certification (BCS Öko-Garantie) and also fair trade recognition (IMO Fair for Life), and commercializes the sale of fair-trade organic alcohol. Among its clients there are The Body Shop and Dr. Bronner's. Both, small and large companies can make arrangements according to CSR interests. This paper started referring important names such as Gates or Buffett, and organizations such as Starbucks and the Body Shop, all companies and entrepreneurs mentioned in this chapter started from scratch, but they knew how to give different insights to their business. One of these new approaches included to outcome much of their success is the Corporate Social Responsibility.

Social marketing - a historical overview

In several forums, debates or consultancies that have been stated on Social Responsibility, Social Marketing or Marketing with a Cause, there is a lack of knowledge about an only meaning of Social Marketing. The first step is to start explaining the conceptual, historical and academic differences on this term, especially for companies that have social responsibility programs for them to understand its essence and real meaning.

Social Marketing is a term first mentioned forty years ago and it began as a discipline in 1970 when Philip Kotler and Gerald Zaltman proposed that the same principles used by the traditional marketing definition must be applied to sell not only products but also to "sell" ideas, behaviors, attitudes, etc.. Social Marketing as a term was first used in 1971, referring "to the use of marketing principles and techniques to develop an idea or social behavior. Since then it has become a management technology for social change that includes the design, implementation and monitoring of programs aimed for increasing the acceptance of a social idea or practice in one or more groups of target adopters." (Kotler , p. 9). Non-profit organizations, municipalities, central and local governments appropriated historical strategies used only by companies to sell products, and through this appropriation they began to sell ideas and concepts such as boiling water to prevent diseases, using condoms for birth control and prevention of STDs, vaccination for small children, active voting, etc..

Understanding this concept, "Social Marketing is built around the knowledge gained in business practices: the establishment of measurable objectives, research on human needs, the belonging of products to specialized groups of consumers, positioning technology products focused on needs and

human desires and effective communication of its benefits, ongoing monitoring of changes in the environment and the ability to adapt to change." (Kotler, p.17).

Nowadays and according to Miguel Angel Moliner Tena, the current definition of social marketing should include three key elements: first, its condition as an extension of Marketing, and therefore, the management of general principles applied to the design of social campaigns. Second, it should take into account its social process, both in its market orientation and in its social responsibility focus. That is, when designing a social marketing campaign it must analyze the needs and motivations of the different audiences that will have something to do with that campaign, such as partners, society, government agencies, or volunteers. As well it must defend ideas or causes that are fair and benefit society. Third, it must be stressed that its aim is to study the relationship of exchange where the product is an idea or social cause. Therefore, it is not to promote a product or service but to design campaigns that motivate certain group of individuals to adopt a specific idea or change any attitude or behavior: Social Marketing is an extension of Marketing that studies the terms of trade that occurs when the product is an idea or social cause.

Kotler and Andreasen in their book on this subject pointed out that: "Every time the promotion of social causes is more common in our society and this has led to the development of social marketing as a specific area of marketing, specializing in the study of exchange with the promotion of ideas or social causes. This growing importance of social marketing can be seen daily in the many social campaigns that are promoted in developed societies, such as AIDS, ecology, health, solidarity and road safety, where the involvement and participation of citizens is increasing. In fact, social marketing is an activity that is taking a rapid growth." (Kotler, 1992)

Those involved in social marketing campaigns must decide how to allocate the budget in the various alternative social marketing tools that the organization will use to achieve its objectives in the segment or segments planned to be spotted. These tools, known as the four "Ps" are as follows:

Product: The offer made to the main aim.

Price: The cost that consumers have to bear to "buy" the product or service.

Placement: Means by which the social product is delivered to the target adopters.

Promotion: Those means by which the social product is promoted among the target consumers.

Kotler's idea of using the same traditional marketing strategies to promote social ideas was indeed an interesting change in the market for social causes. In 2007, the Andean Health Organization, Organismo Andino de Salud (ORAS), hired the College of Communication and Contemporary Arts at the Universidad San Francisco de Quito, institution to which the authors belong to, in order to design PAMAFRO Social Marketing Project: "Control of malaria in border areas of the Andean region: a community approach" with the goal of reducing by 50% the incidence of the disease and 70% mortality from this cause.

The strategy to change the habits of people proposed by this organization was basically a plan that would have used a business man so that their customers buy their product, for this campaign, the product was that the community fight malaria. To meet the objectives, there were set for the target specific products such as awning fabric including its anti-mosquito lotions, complete sets for disease analysis delivered to community leaders. There were puppet shows for children in the region to make them aware on the subject, involvement meetings were held with community leaders to empower them in the idea and encourage their participation. There were also alliances sealed with transportation companies in the area that allowed the delivery of stickers and informational brochure on buses coming and going to these communities. The community learned to fight malaria learning on how to stay healthy.

Once the concept was understood, "Social Marketing is built around the knowledge gained in business practices: the establishment of measurable objectives, research on human needs, the assignment of products to specialized groups of consumers, positioning technology products focused on needs and human desires and effective communication of its benefits, ongoing monitoring of changes in the environment and the capacity to adapt to change." (Kotler, p.17).

Marketing related to a cause

An investigation, by ProQualitas in Chile, called Social Cause Marketing: Corporate Citizen in a New Economy, adds: "One alternative is the evolution that some companies have done, from a product focus to a more social focus. The basic premise is that if customers used to condition their inspirational behavior and purchase to the values associated with brands and products, nowadays companies are beginning to associate their brands to the values form the consumers themselves." (ProQualitas, p.1).

Despite that the term began to be used in early 70's to promote social causes and was mainly used by NGOs and municipalities in the next decade, companies are beginning to implement this concept to promote values and causes associated with their brands and products. As a result there are new ways of defining such partnerships, including a Cause-related marketing. Related to the Cause Marketing is a process in which a company's decisions have a three point marketing statement: first is the business interest, second is the consumer's satisfaction and third it is found a long-term welfare of the company and of society as a whole.

In an interview with Richard Steckel [Vi] , author of several books on this subject and an international consultant for foundations and multinational corporations he defined as:"A strategic alliance between a company and a foundation, created to sell a product for mutual benefit." For the British organization "Business in the Community" that works with the support of the leaders of that country, Cause Marketing is "a business in which companies and foundations partner to sell its image, product or service for mutual benefit." (Steckel, 2011)

Packaging, commercials and other forms of communication invite consumers to buy products from the company knowing that a percentage of that purchase will be directed to a foundation. According to Steckel, Cause Marketing meets the condition of traditional marketing as it is the business whose main goal is to sell, however the difference is that it also has philanthropic results. Asenjo Rabassa Bernardo adds, "is a counterpoint to the traditional sales promotion, in that part of the communication process between the company and its market exists or may exist feedback, ie, possible response from the prescriber, consumer or user of the products or services in the market, achieving this significant growth effect on the level resulting from traditional marketing activities." (RABASSA ASENJO, p.19). This author also describes it as the approach of the need primarily to satisfy social demands around the product or service being sold, so this is properly accepted and inserted in the social framework that is its market,. This is more likely that the marketing action is an action for public relations for product or service rather than a normal action of a commercial nature." (RABASSA ASENJO, page 19).

Although several authors report the case of American Express as the first historical example, the Brazilian consultant, an expert on issues related Marketing Cause, Lygia Fontanella said that in 1890 the UK Corporation William H. Lever, used one of their products, laundry soap: Sunlight Soap, to link it to a cause. In the packaging of the soap, the company proposed consumers to name their favorite foundation. At the end of the action, the foundation with the most votes received 2000 pounds. The

concept of a Cause Related Marketing was introduced "officially" in the U.S. in 1983 when the credit card American Express launches its project to restore the Statue of Liberty. This company spent six

million dollars in advertising the campaign. American Express stated that for three months the company would make the following donations for the statue: A penny for every purchase made with the card, a percentage of each expenditure made by American Express "packages" on the \$ 500 dollars and a dollar for each new application. The results were interesting, \$ 1.7 billion were raised, and sales increased by 28% using the card and achieved a 45% increase in new credit cards. American Express gained much more than money, the campaign was so successful that many people decided to become official sponsors of this project through the card. Since then the company continues to work in such partnerships, including making local alliances in different places.

The use of social marketing strategies linked to a cause requires taking into account other arguments when communicating it, which is also relevant to use this tool properly. According to Kotler, the possibility that consumers are receptive to new information increases the compatibility of the information prior to the hearing. People tend to avoid unpleasant information. The General Assembly of the NGO code of conduct signed in Brussels in 1989, in order to define their pattern of behavior and provide a more complete and closer to reality. In the fundraising section it recognizes the right of each nongovernmental organization (NGO) to decide the best system - annual campaigns, emergency issues or actions - to raise funds. In cases of private enterprise, the code sets clear requirements. First, the methods and content of the messages used by NGOs or the organizing companies should not project an impression of dependence or assistance. It also affects the need for the content of the message "emergency calls" evolve to channel efforts towards the long term. In this regard, NGOs or their sponsoring companies avoid, among others, the following messages: miserable or pathetic images that provoke more limited charity of good conscience to reflect. The use of idyllic images of adventure or exotic, usually distort the true situation. The images that generalize and hide the diversity of situations is also an example. Incriminating images (bias), discriminatory or those which infringe upon the dignity and cultural identity of people.

Dr. Richard Steckel, seeks to promote through campaigns and photographs of acceptance and tolerance between countries is that: "Many people believe that there must be a secret or magic formula hidden in this topic. How a company can keep its prices, giving money to a cause and continue to increase their profits?. We admit it there is a catch (...). The secret is that when lowering the profit margin and donate the difference to a cause consumers will know and buy more. Sales rise. And as we all know, these increases can climb to the roof." (STECKEL,p.47). Companies that engage in such partnerships make money and image-profit, foundations make money and visibility, but the only really able to do this are the consumers. (...). More and more consumers interested in supporting such partnerships. The main reason is that by joining a company and a foundation and creates this kind of "social products" they are given the opportunity to take a stand. It is not just a choice between one product and another because it is cheaper, nutritious, or they recycle. These alliances give them the power and opportunity to contribute to social development in their community, is told to the consumer: "You can save the environment, fight against illiteracy, help cure a disease. Continue buying a product that you would have bought anyway, but now they're giving you the opportunity to change the world." (STECKEL,p.49). Cause-related marketing is definitely a bond that meets the task of social responsibility while seducing the consumer to make a purchase more endearing.

4. Discussion:

After having defined the concepts and areas of application of these disciplines it is necessary to analyze some aspects as a conclusion. The implementation of CSR programs, Cause Marketing and Social Marketing reflects the needs of organizations and their stakeholders, in the specific case of this

research, imply that consumers no longer measure the companies or organizations from the products and services they receive from them but are interested in and support companies and organizations that generate welfare to the community. "Consumers are in constant dialogue and attentive to" monitor "corporate behavior. They have blogs, microblogs, social networks and other effective channels for reporting cases of fraud, exploitation of contract staff, environmental destruction and to recommend products manufactured by companies in their management, systems take into account the impact of its processes on the economy, society and the planet. (VAN PEBORGH, p. 58).

This work fulfills its mission of bringing the reader to the conceptual and differential description of each of the concepts introduced, and its relationship with its stakeholders, specifically consumers. Based on this study we insist and consider important these concepts should be analyzed and their effect in Ecuador and Latin America's society. It would be suitable to know how to use these strategies after they have evolved over the other stakeholders beside consumers.

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¹ Véase <http://www.berkshirehathaway.com/>

¹ Véase http://www.economia.com.mx/warren_buffett.htm

¹ <http://www.starbucks.es/es-es/>

¹ Véase <http://www.thebodyshop.es/index.aspx>

¹ Corporación Red Arborizadora Campo y Progreso

¹ <http://www.hightidepress.com/authors/RichardSteckel.php>

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