

# Relationship Between Corporate Societal Marketing And Corporate Image

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## Abstract

*In past few decades we have seen a tremendous degradation in our environment. Global warming has become the most talked about topics of the world. This global warming has made the consumers more aware about purchasing eco-friendly products. This practice has created a new topic called societal marketing. Societal marketing emerged in the early 1970s, promising a more socially responsible and ethical model for marketing. Societal marketing means producing products or services giving concern not only to company and customer but also to society well-being. This study tried to understand the relationship between the corporate societal marketing (CSM) and corporate image. Corporate image refers to the placement of corporation in the mind of the consumers. A model has used to analyze the relationship as well as describing the tools of CSM and external influencing factors. This is a descriptive study. Both primary and secondary data have used to the study. The sample size was 100. Samples are included the corporate personnel and the consumers. Interview was the source of the primary data. For secondary data related articles, journals, magazines, newspapers were used. This study is a simple try to understand the relationship between CSM and corporate image. There exist various scope for future study on this topic.*

**Key words:** Corporate societal marketing, Corporate image, Social marketing, Society, Consumers, Marketers

## 1. Introduction

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In the twenty-first century many organizations are gradually being concerned about the management of societal factors in marketing activities for the benefit of stakeholder interest. (McAlister & Ferrell 2002; Marsden 2000; Vidaver-Cohen & Altman 2000). The practice of corporate societal marketing (CSM) seems to be on rise for the vast potentiality of CSM programs. (File and Prince 1998; Drumwright 1996; Varadarajan and Menon 1988). CSM refers to “encompass marketing initiatives that have at least one non-economic objective related to social welfare and use the resources of the company and/or one of its partners” (McAlister & Ferrell 2002; Marsden 2000; Vidaver-Cohen & Altman 2000). In a study of corporate association and their influence on consumer showed that CSM activities have a great impact on consumer attitude and belief toward a new product or service produced by a company (Madrigal 2000; Brown & Dacin 1997), as well as to build a corporate image (Sen & Bhattacharya 2001; Barone, Miyazaki & Taylor 2000; Cunningham & Koziets 1999). Corporate image refers to creating brand meaning and establishing a place in the mind of customers (Fournier 1998; Zaltman and Higie 1995).

The CSM concept fulfill the wants and needs of target customers by enhancing the well-being of society and consumers with the fulfilling the goals of the organization (Kotler 2000; Bednall & Kanuk 1997). CSM prioritize the profit of three parties: society, company and consumer (Kotler 2000). As it has an impact on both consumer and society it can easily influence the attitude of customer which helps CSM to establish a brand image (Jayne 2001).

Multiple objectives implies on CSM activities. The main goal is to “create a differential advantage through an enhanced corporate image with consumers” (Lichtenstein, Drumwright, and Braig 2000). Other benefits of CSM activities are enhancing company’s public image, boosting employee morale, drawing attention to a product or service, contributing to an increase in sale, overcoming negative publicity (Dawar and Pillutla 2000). These objectives ultimately go to an end of establishing corporate image. The CSM concept is a sparking strategy for promoting the behavioral response of consumers to such corporate “doing well” (Brown & Dacin 1997). Some of the study suggest that CSM concept is an powerful strategic tool for developing valuable relationships between the company and its key stakeholders (Vidaver-Cohen & Altman 2000; Day 1994).

This study will deeply concentrate on the relationship between the corporate societal marketing and corporate image by finding out some crucial tools of corporate societal marketing. To the best of my knowledge, there are no previous studies covering this particular topic.

## **2. Aim of the study:**

Societal marketing has evolved both in developed and developing countries. The paper aims to find out the relationship between Corporate Societal Marketing (CSM) and corporate image before discussing some tools of CSM. The specific purposes are:

- a) Describing the relationship between the CSM and corporate image
- b) Find out the tools of CSM
- c) Discussing the influencing factors of CSM

### 3. Literature review:

The increased use of corporate societal marketing (CSM) comes to the light in accordance with the growing recognition of the mass potential of CSM programs (e.g., Drumwright 1996; File and Prince 1998; Varadarajan and Menon 1988). In this twenty-first century companies are massively concerned about the societal issues of marketing to make key stakeholder interests more benefited (Marsden 2000; McAlister & Ferrell 2002; Vidaver-Cohen & Altman 2000). Drumwright and Murphy (2001) stated that *Corporate societal marketing* is to “encompass marketing initiatives that have at least one non-economic objective related to social welfare and use the resources of the company and/or one of its partners”. According to Lefebvre, R.C. (2013) Societal Marketing can be defined as a “Marketing with a social dimension or marketing that includes non-economic criteria”. Societal Marketing “concerns for society’s long term interests” Lefebvre, R.C. (2013<sup>1</sup>). It is about “the direct benefits for the organization and secondary benefit for the community” Lefebvre, R.C. (2013). Kotler (2000) defined The societal marketing as a marketing concept that holds that a company should make marketing decisions by considering consumers' wants, the company's requirements, and society's long-term interests.

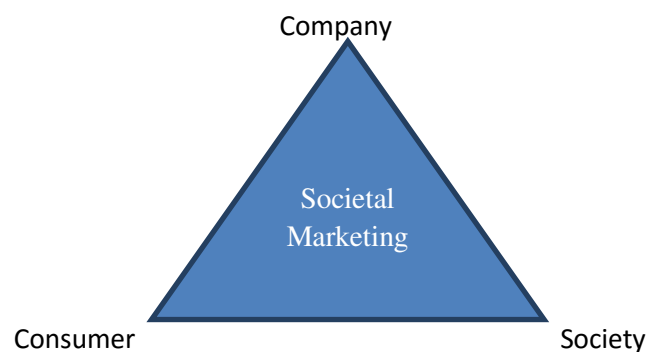


Figure: Societal Marketing Concept (Kotler, 2002)

According to the figure from the consumer’s point of view organization’s task is to determine the needs, wants, and interests of a target market and to deliver the desired satisfactions more

effectively and efficiently than competitors and through this a company can gain profit. An organization also needs to have a concern towards the society and customer well-being.

One of the major factors of the vast growth of CSM is its potential role of significantly effecton the brand's equity and strength. (Drumwright and Murphy, 2001).The other important factors are enhancing company's public image, boosting employee morale, drawing attention towards products or services and finally contributing to an increase in sales (Muscular Dystrophy Association's 2001). CSM also provides reservoir of goodwill that helps to deflect criticism and overcome negative publicity that can arise from an unexpected event or tragedy (Dawar and Pillutla 2000).

As the statement of the Fournier (1998); and Zaltman and Higie (1995) societal marketing helps an organization by developing six means to establish brand image- building brand awareness, enhancing brand image, establishing brand credibility, evoking brand feelings,creating a sense of brand community, and eliciting brand engagement.

Brand awareness is the level of consumer consciousness of a company. It measures a potential customer's ability to not only recognize a brand image, but to also associate it with a certain company's product or service. Brand awareness is best spread through both inbound and outbound marketing efforts. When competition in an industry is high, brand awareness can be one of a business's greatest assets. (Keller, Kevin L., 2003). Recognition and recall are the two important issues of brand awareness. (Hoeffler and Keller, 2002)For the confirmation of brand exposure brand recognition and brand recall is the unaided retrieval of the brand from memory. (Hoeffler and Keller, 2002) Societal marketing programs help to recognize a brand through delivering related information offering different programs and help to recall the brand name through continuous communication with society.

Wijaya(2011),stated brand image is the stage of gaining mind share. He said it is a set of beliefs that held about a specific brand. It is the perception of consumers about a product or service. Societal marketing enable consumers developing positive image of the users of the specific brand.

Brand credibility describe the situation in which a brand is perceived as credible in terms of three considerations (Keller and Aaker 1992)- expertise, trustworthiness and likability. Societal marketing programs affect the three dimensions that consumers perceive a firm more caring and dependable.

As the statement of Kahle, Poulos, and Sukhdial (1988) societal marketing evocated mainly two types of feelings- a) self-respect and b) social approval. Societal marketing programs help the consumers to justify their self-worthiness to themselves and others.

Identification with brand community reflects an important social phenomenon where consumers feel an affiliation with the other people associated with the particular brand.

(Keller and Aaker 1992) Societal marketing programs influence the nature of relationship of customers that present with the brand.

Brand engagement come in present when consumers are willing to invest their time, money, energy and other resources for the particular brand (Keller and Aaker 1992). CSM programs play an active role for the engagement of brand and consumers, thus increase brand image.

In their study Balmer and Gray (2000) developed a model which showed societal marketing have to go through some specific processes as well as also need to deal with some external factors. Then societal marketing succeeded to establish brand image.

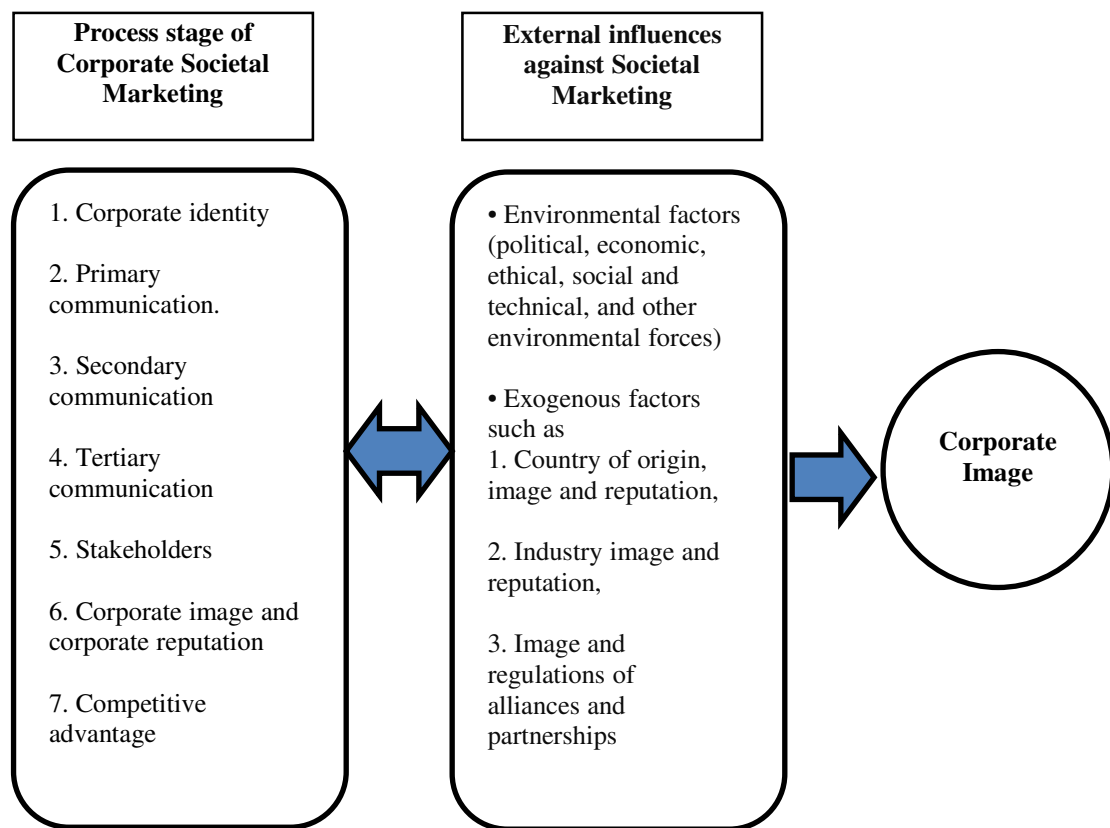
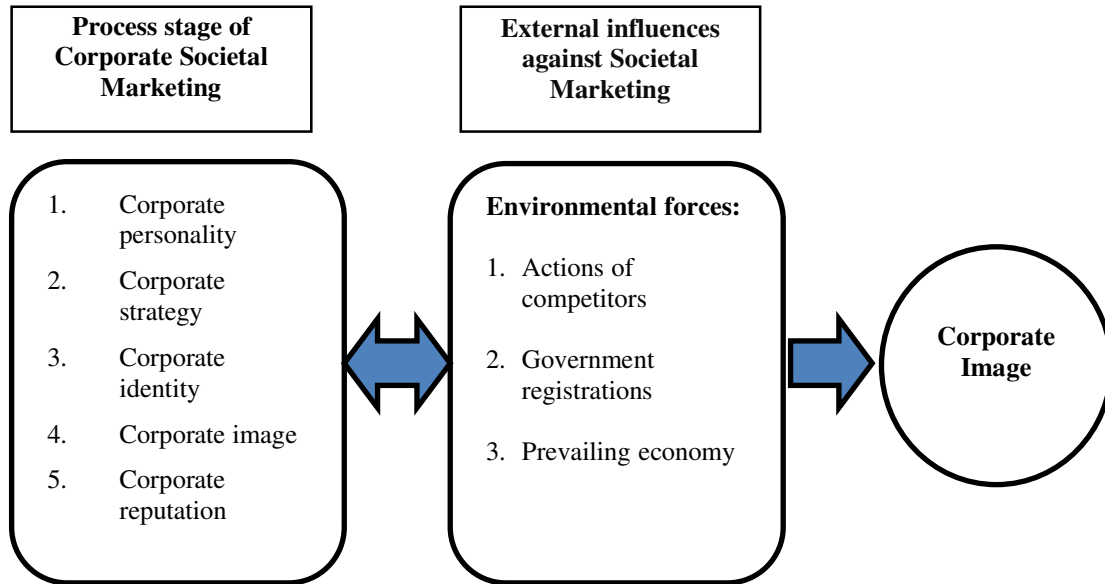


Figure: Balmer and Gray's model (2000)

Another model developed by Stuart (1999) on CSM. In his study he described only environmental forces as the external influential factors.



**Figure: Stuart's model (1999)**

According to the Abratt (1989), Markwick & Fill (1997), Stuart (1999) corporate image means the perception of stakeholder of the way that an organization presents itself. The tools of societal marketing deal with some controllable and uncontrollable factors that shape corporate identity and this identity establishes corporate image (Chattananon 2003). A number of researchers worked with the corporate image management model, for example Balmer and Gray (2000), Markwick and Fill (1997), Stuart (1998, 1999), Abratt (1989), Dowling (1986), Kennedy (1977). These models talked about how corporate image was built. This study will show the relationship with corporate societal marketing and corporate image with the discussion of some tools and processes.

Societal marketing is sometimes confused with social marketing. The concept of societal marketing was the forerunner of sustainable marketing. It integrates the issues of social responsibility into the strategies of commercial marketing. On the other hand, social marketing applies commercial marketing techniques, tools and theories for social issues, for example Anti-Smoking Campaigns.

According to McColl-Kennedy, Kiel, Lusch&Lusch (1994), “Societal marketing concept is evident when an organisation determines consumer needs and wants and then integrates all activities in the firm to serve these needs while simultaneously enhancing societal well being”.

Andreasen, (1995) said,“Social marketing is the adaptation of commercial marketing technologies to programs designed to influence the voluntary behaviour of target audiences to improve their personal welfare and that of the society of which they are a part”.

The aim of societal marketing is to gain profit by developing revenue based products or services as well as giving a concern to social value. On opposite, the purpose of social marketing is social gain where the existence of profit is not mandatory(Dann, 2009).

The examples of societal marketing are eco-friendly marketing, supporting local farms and businesses. The examples of social marketing are developing awareness against eve-teasing, taking steps to eliminate child labor.

#### **4. Methodology of the Study**

The study followed descriptive research. Descriptive research is a type of research that focuses on providing on accurate descriptions of the variables in the problem model (Kotler& Armstrong, 2012). The sample was the ultimate consumers and corporate personnel. This study tried to describe the relationship between corporate societal marketing and corporate image.

Both primary and secondary data used for the study.

Primary data originated by the researcher for the specific purpose of addressing the research problem (Kotler& Armstrong, 2012). The source of primary data for the study was interview.

Interview is an unstructured, direct, personal interview in which a single respondent is probed by a highly skilled interviewer to uncover underlying motivations, beliefs, attitudes, and feelings on a topic (Kotler& Armstrong, 2012). For interview the target group was corporate personnel and ultimate consumer. The sample size for the interview was 100.

For sampling the study followed nonprobability sampling technique. Nonprobability sampling technique is a sampling technique that does not use chance selection procedures. Rather they rely on the personal judgments of the researcher (Kotler& Armstrong, 2012).

Secondary data collected for some purposes other than the problem at hand (Kotler& Armstrong, 2012). Sources of secondary data were articles, newspaper, magazines, journals etc.

## 5. Analysis and findings

The total impressions that held of an organization by a group or an individual can be called corporate image (Dowling 1993; Balmer&Stotvig 1997; Gray & Balm 1998). Cornelissen (2000) defined “Corporate image is a product of multiple variable impression formation process located in the interaction of the stakeholder with messages, from the organization and related business, from various news media, and from other stakeholders through word-of-mouth”.

Corporate image includes two main components: emotional and functional (Kennedy 1977). Emotional components are related to psychological dimensions which are measured by attitude, feeling and evaluation towards a company, while functional components are associated with tangible characteristics that are easily measurable. (LeBlanc & Nguyen 1996; Barich&Kotler 1991; Dowling 1986; Pharoah 1982; Cohen 1963).

So, corporate image is not possible to manage directly, as it presents in the mind of stakeholder. The only way to manage corporate image is to manage corporate identity (van Rekom 1997; Markwick& Fill 1997; Abratt 1989). Gregory and Wiechmann (1998) defined corporate identity as ‘a visual statement of who and what a company is’. One of the most important components of developing corporate identity is to practicing corporate societal marketing.

Corporate image also has a relationship corporate reputation. Some authors said corporate image is the synonymous of corporate reputation (Mofokeng 2001; Howard 1998; Dukerich&Harquail 1994; Dowling 1993; Abratt 1989; Kennedy 1977). Some of them describe corporate image is the result of corporate reputation (LeBlanc & Nguyen 1996; Mason, 1993; Barich&Kotler 1991). On opposite, some of them said corporate reputation is the result of corporate image (Bromley 2001; Lewis 2001; Stuart 1999; Greyser 1999; Gray & Balmer 1998).

Corporate image also has a close relationship with corporate societal marketing (Sen& Bhattacharya 2001; Mohr & Webb 2000; Creyer& Ross 1997). The activities of societal marketing engage consumer mind and has the potentiality of creating a enduring and stronger relationship. According to our study, a raising number of marketplaces attest the positive impact of corporate societal marketing on consumer attitudes and behavior which help to build corporate image.

We can show the relationship of CSM and Corporate Image through a figure. The figure will also help to define some tools of CSM as well as some influencing external factors.



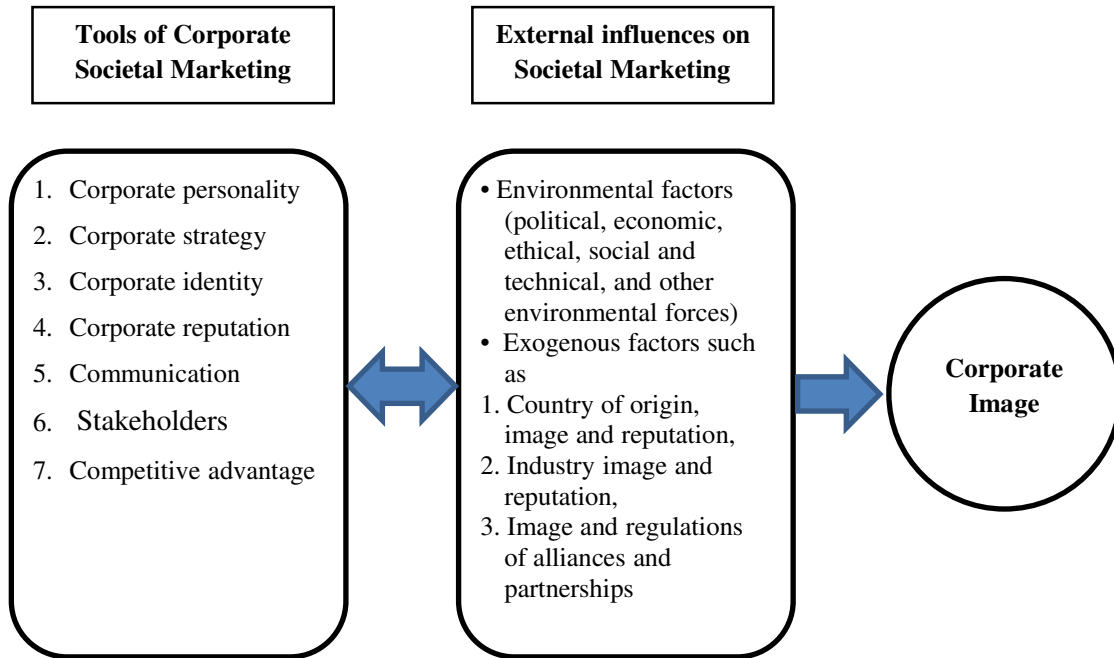


Figure: Relationship between corporate societal marketing and corporate image

According to the above figure, CSM tools face an effect from external factors, which may define by environmental factors and exogenous factors. On the other hand, CSM also influences the external factors through its activities. With this analogous relationship corporate image comes on light.

**Corporate personality** refers to a corporation is a kind of social citizen and for this it has some special responsibilities to the society (Smith, 2001). These responsibilities are influenced by some environmental factors. It is one of the most important tools for creating corporate image as corporate personality has a direct connection with society.

Strategy defines the overall directions of a corporation as well as the frame work of its future working environment. **Corporate strategy** means the businesses and the markets where a corporation decides to operate. (Rumelt, 1998) If the businesses and markets are favorable for the society corporation will be able to create positive image.

**Corporate identity** refers to draw the attention of a company to the way it represent itself (Bouchet, 2000). A corporation's stakeholders, consumers, employees and suppliers all are influenced by the corporate identity. A positive identity can create a positive corporate image.

**Corporate reputation** describes the way how the stakeholders approach towards a corporation (Institute of Directors 1999). It has also an influence on customer satisfaction,

employee retention and customer loyalty (Vergin and Qoronfleh 1998). A favorable reputation inspires the shareholders for investing in a company (Robert and Dowling, 1997). So corporate reputation has a great impact on developing a corporate image.

According to the Argenti (2007) “**Corporate communication** is a management function that offers a framework for the effective coordination of all internal and external communication with the overall purpose of establishing and maintaining favorable reputations with stakeholder groups upon which the organization is dependent. The main objectives of the corporate communication are developing, nurturing and protecting the reputation of the company. When a corporation maintains a better communication strategy, it will be able to build a better relationship with all of the stakeholders that will create a corporate image.

Gladwell (2000) described, “The term **stakeholders** refer to persons, groups or organizations that must somehow be taken into account by leaders, managers and front-line staff”. Stakeholders’ analysis is very important for developing corporate image (Marshall 2002). They have a great impact on all types of business functions and activities, mainly maintaining better communication which is the first word for corporate image (Horn, 2001).

According to Ehmke (2005), “A **competitive advantage** is an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and service that justify similar, or possibly higher, prices”. A successfully growing corporation is mostly dependent upon competitive advantages that continuously establish loyal customers that can expand over time (Ehmke (2005). It will be the result of a sustainable corporate image.

The factors that are directly or indirectly influence the activities of a corporation are called **environmental factors** (Kotler, 2000). Environmental factors are of two types: internal factors and external factors. The mostly influencing factors that affect tools of corporate image are political, economic, ethical, social and technical, and other environmental forces.

James (1995) said, “Exogenous factors are the factors in a causal model or causal system whose value is independent from the states of other variables in the system; a factor whose value is determined by factors or variables outside the causal system under study”. For example, rainfall is exogenous to the causal system constituting the process of farming and crop output. In our model country of origin, image, reputation; industry image and reputation; partnership, these are the exogenous to the causal system which influence the tools of corporate image and the result is the corporate image.

After the analysis, we can say corporate societal marketing are the combination of some tools. These tools help to establish corporate image. But before this CSM tools influence the external societal marketing factors as well as also influenced by the environmental and exogenous factors. Through this combined influence corporate image come to light. So there exist a positive relation between corporate societal marketing and corporate image.

## 5. Future Scope of the Study

The study analyzed the relationship of Corporate Societal Marketing (CSM) only with corporate image. But CSM relates with many other factors. So there present a nice scope of future study. The sample size of primary data source of the study is only 100. If the sample size becomes rich then the result will be more accurate. The sample selected only from Dhaka city. But CSM practices its activities in all over the country. If the sample selected from the whole country then the study will give more genuine picture. The study has covered the CSM and Corporate scenario of this country. But the worldwide practice of rebranding is also very rich. So there exists a large field of future study.

## 6. Conclusion

CSM concept comes to light when organizations determine the needs and wants of consumers and integrates the business activities to meet the needs of consumer while simultaneously giving concern to societal well-being (McColl-Kennedy, Kiel, Lusch&Lusch, 1994). This study has developed an understanding of corporate societal marketing impact on corporate image. With the basis on the analysis a model has developed which interpret the impact of CSM on corporate image. In doing so, several assumptions have developed. As a whole CSM programs are favorable for society. For building corporate image nowadays CSM is very much crucial.

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