Corporate Social Responsibility and Sustainable Marketing: A Comparative Study

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Abstract:

This research study delves into the intricate relationship between corporate social responsibility (CSR) and sustainable marketing, aiming to shed light on their distinct roles and implications for businesses and society. The comparative analysis reveals that while sustainable marketing seeks to modify consumer behavior for immediate organizational benefits, CSR represents a strategic, long-term commitment to enhancing a company's reputation and brand awareness. The essential context of sustainability underscores the significance of considering CSR actions within a broader environmental and societal framework. This study emphasizes the need for a holistic approach to addressing these challenges, taking into account both short-term outcomes and long-term effects. In sum, both sustainability and CSR beckon businesses and organizations to embrace responsibility for their environmental and societal impacts, underscoring the profound interplay between ethical conduct, economic growth, and societal betterment in the modern corporate landscape.

Keywords: Corporate, Social Responsibility, Sustainable Marketing, Governance.

Introduction:

Corporate social responsibility, often abbreviated as CSR, refers to a company's ongoing dedication to ethical conduct, bolstering the nation's economic growth, enhancing the quality of life for its employees and their families, and contributing positively to society at large.

"Sustainability" and "Corporate Social Responsibility" (CSR) share a connection as they are both rooted in the principle that businesses should operate in a manner that not only maximizes profits for investors but also contributes positively to society and the environment.

The corporate strategy referred to as "corporate social responsibility" (CSR) takes into account the impact of an organization's actions on society, its employees, and various stakeholders. A company embraces a CSR strategy with the objectives of reducing negative effects, engaging in ethical business practices, ensuring accountability across a global supply chain, participating in philanthropic endeavours, and establishing an employee-centric human resource management system.

Corporate social responsibility (CSR) pertains to a company's dedication to behaving ethically and recognizing its roles as a responsible member of society, an employer, a producer, and a consumer. CSR extends beyond mere acts of generosity. In the case of larger corporations, they bear a heightened responsibility toward the community. The concept of corporate social responsibility urges businesses to operate in manners that promote the well-being of society and the environment, rather than causing harm to them.

Any failure on the part of the company to live up to stakeholder and societal expectations can lead to its demise and harm its reputation. National and international companies have recently studied the influence of CSR and investigated how it affects the economy, society, environment and hampers the relationships that businesses have with shareholders, employees, and customers. [2]

Marketing for sustainability and corporate social responsibility:

Given the aforementioned definitions, it is reasonable to infer that CSR relates to the social aspects of sustainability. Yes, a business may achieve social sustainability through effective CSR practices. Companies can achieve ethical success through practices like corporate social responsibility (CSR) and corporate sustainability, without harming others in the process.

However, the phrases "corporate sustainability" and "corporate social responsibility" (CSR) shouldn't be used in the same sentence. The two concepts are somewhat different from one another.

- Sustainability: to continue at a particular rate or level.
- Responsibility: being responsible in fact or in state.

Corporate accountability and socially conscious behavior go collectively. For instance, managers, executives, stockholders, and stakeholders must conduct themselves morally and support neighborhood-wide initiatives to advance ethical marketing. Customers can detect if a business isn't devoted to social responsibility if it's merely acting the part or "greenwashing", which is the practice of false promotion of environment friendly goods or practices. [3]

Sustainability vs Corporate Social Responsibility:

The following list is broken down into bullet points and includes significant differences between sustainability and corporate social responsibility (CSR):

Sustainability:

- Aims to increase the long-term viability of business operations.
- It aims to satisfy current demands while maintaining the capacity of future generations to satisfy their own needs.
- When conducting business, it focuses on the big picture, including the effects on the environment, the community, and economic growth.
- Maintains the tension between the need to produce a profit and worries about the economy, society, and the environment.
- Highlights the importance of sustainable activities, such as reducing carbon dioxide emissions, safeguarding the planet's resources, and reducing waste. [4]

Corporate Social Responsibility:

- It strives to promote moral and responsible behavior in all areas of the business.
- Seeks to advance society through charitable giving, voluntarism, and other societal endeavors.
- Emphasizes the importance of belonging and diversity in workplaces.
- Encourages ethical and transparent business practices, including measures to prevent corruption and to promote fair hiring and firing procedures.
- Seeks to create a balance between the need to make money and social-environmental challenges.

Even though sustainability and CSR share several goals, such as the need of ecological responsibility. Regarding ethical corporate conduct, they place varying emphasis on and take into account various factors. [5]

Definition for Corporate Social Responsibility:
"A three-pronged strategy based on appropriate legal, ethical, and social responsibility behavior is required to raise the bar for socially responsible marketing."

Legal Behavior:
The legal conduct that Kotler refers to is simply abiding by, adhering to, and obeying all applicable laws with regard to the activities of a particular organization. For instance, the sales process cannot use deceptive justifications to criticize competitors or trick customers into purchasing particular goods or services. A company's legal conduct typically includes tackling other matters like corporate espionage or bribery.

Ethical Behavior:
Some businesses have created a written code of ethics and make sure that their staff abide by it in all of their activities as it relates to ethical behavior.
A business should work to establish an ethical culture over time in order to better integrate this into its long-term operations.
In terms of marketing concerns, false labeling or dishonest advertising would be obviously unethical, but the question of whether advertising to children falls under the category of ethical marketing activity is still up for debate.

Sustainability:
Another idea that is commonly linked to corporate social responsibility is sustainability. Sustainability, or the capacity to satisfy customer requirements without endangering future generations, is being prioritized by many businesses.
Sustainability needs to be given increasing attention in the business world, especially as environmental lobbying groups' concerns grow stronger and more active.

Brand Image:
A brand's credibility and respect may increase by reinforcing a feeling of social responsibility. These companies may be able to distinguish themselves from their rivals by cultivating consumer preference and loyalty through active social responsibility activities. [6]
CSR can be in the form of:
- Workers' health and safety
- Free schooling for poor children
- Investing in the community
- Program for volunteer aid
- City infrastructure development
- Sanitization of waterways
- Safeguarding cultural heritage

- Free medical care for the poor

Its objective is to add value by producing the goods and services that society demands at fair costs. By doing this, the company may satisfy societal needs while also making a profit for its stockholders. [7]

Societal Marketing Concept:

Textbooks frequently distinguish between the marketing idea and the sociological marketing concept in the introductory marketing chapters.

Societal marketing is frequently used by businesses who strongly believe in corporate social responsibility. While businesses that obstinately carry out their charity and/or environmental commitments are likely still using the marketing approach.

The difference between the two types of concepts is whether the organization involved truly believes that improving society as a whole through their existence is a goal that is equal to their own profit and meeting the needs of customers.

Sustainable Marketing:

Responsible marketers identify consumer needs and respond with market products that add value for customers and profit from their purchase. A notion of customer value and mutual gain underpins the marketing concept. In order to meet the various and shifting requirements of millions of consumers, its practice guides the economy with an unseen hand.

But not every marketer follows the marketing mindset. In actuality, some companies use questionable marketing techniques to advance their own goals above those of their clients. Furthermore, even well-intentioned marketing strategies that currently meet the needs of some customers may in the near future have an impact on other consumers or the entire public. Responsible marketers must consider the long-term effects of their decisions on the environment.

Sustainable marketing encourages socially and environmentally responsible actions to meet the needs of today's customers and businesses, all while safeguarding or improving the capacity of future generations to fulfill their requirements.

The marketing school of thought acknowledges that businesses succeed daily by identifying the desires and requirements of their target audience and delivering those effectively and efficiently, outperforming competitors. It prioritizes achieving a company's short-term goals in terms of sales, growth, and profits by providing customers with what they desire immediately. However, promptly meeting customers' needs and achieving their objectives isn't always in their best interests or that of the business.

For instance, McDonald's early decisions to serve delicious but salty and fatty fast food led to a boost in sales and profits for the company as well as immediate consumer pleasure. Critics argue that McDonald's and other fast-food chains played a role in exacerbating a widespread national obesity issue, which had adverse effects on consumer health and strained the healthcare system. Consequently, many customers started opting for healthier dining options, leading to a decline in sales and profits for the fast-food industry. McDonald's also faced criticism for its substantial global environmental footprint, which encompassed issues such as excessive packaging, solid waste generation, and inefficient energy consumption in its establishments. These criticisms went beyond issues of morality and social responsibility. As a result, neither the McDonald's approach nor the advantages to the company were long-lasting [19].

Review of Literature:

Carroll (1979) distinguishes and delineates the various social responsibilities that an organization has, including economic responsibilities (it should be profitable and financially stable), legal and ethical responsibilities (an organization should uphold the law and the accepted values and norms of society), and charitable responsibilities (an organization should actively give back to society for its own benefits). [8]

A number of competitive advantages can result from effectively implementing CSR concepts, including increased capital and market accessibility, steadily increasing sales and profits, decreased operations and maintenance costs, improved efficiency and quality assurance, a more effective human resource base, improved brand image and reputation, higher customer satisfaction, improved decision-making and risk management processes, and so on. (Kim, 2016). [9]

When comparing marketing inputs to outputs in terms of net profit, market share, and sales growth over a predetermined time period, marketing success is determined (Wali, 2012). Therefore, a successful marketing effort is indicated when revenues exceed the value of input resources, but a failure is shown when the value of input resources exceeds revenues. In conclusion, marketing performance assesses the degree to which marketing objectives were achieved in regard to the marketing vision, mission, and objectives during the period under review. [10]

Concerning CSR investments, management and other corporate stakeholders have differed. It is commonly said to be a waste of resources and to hurt the company's bottom line. Determining the hazards and opportunities is therefore essential before a business decides whether or not to intervene (Falck, 2007). Additionally, it was shown that an organization's level of dedication may be viewed as a socialization process by which they come to understand their duty to society. The level of resource commitment made by the company's senior management will directly indicate how seriously they are taking CSR, and this is a crucial sign of where research efforts should be concentrated. [11]

This study investigates how employees' knowledge absorptive capacity (KAC) influences corporate social responsibility (CSR) practices and, in turn, corporate sustainability performance (CSP) within Asia Pacific multinational corporations (MNCs). It uses statistical and qualitative methods to analyze the complex relationships and emphasizes the mediating role of CSR. The findings suggest that KAC significantly impacts CSR activities and, subsequently, CSP. This research contributes to the understanding of CSR, sustainability, and knowledge management, with a regional focus on Asia Pacific MNCs. [19]

CSR has a significant role in enhancing consumers' intentions to make sustainable purchases. Most notably, it acts as a helpful moderator in the relationship between company image and customer engagement. Moreover, CSR also strengthens the link between company image and sustainable purchasing intentions.[20]. Corporate social initiatives have benefits in marketing and especially in branding aspect, the marketing perspectives of CSR play an important role in formulating strategy for sustainable development [21]

In a study it was concluded that Corporate social responsibility (CSR) has an important role in achieving sustainable marketing in emerging economies like India. Communication strategies for CSR, role of CSR in skill India Initiative and CSR activities of Indian listed companies, contribute to sustainable business growth.[22] In another comparative study it was found that CSR is considered to have emerged to address social issues, while sustainable marketing focused on environmental issues, given that CSR has its origins in the critique of neoclassical economic theory and sustainable marketing in the environmental impact of organizations.[23]. Another study on hotel industry concluded thatCSR

moderates the relationship between sustainability marketing and brand image such that the association is stronger (weaker) at higher (lower) levels of CSR.[24]

Objectives:

1. To examine the relationship between sustainable marketing practices and CSR initiatives in driving business success and societal well-being.
2. To investigate the role of sustainable marketing in promoting environmental and social responsibility within organizations.
3. To understand how CSR and sustainable marketing can be holistically integrated into a company's operations to foster ethical conduct, economic growth, and societal betterment.

Research Methodology:

This study's general design was exploratory. Content analysis approach have been used to examine the CSR reports. Content analysis is "an observational research method used to systematically evaluate the symbolic content of all forms of recorded communication". This analysis technique is useful in organizational research because it connects qualitative and quantitative studies and enables researchers to look at the variances in stakeholder perceptions, organizational practices, and societal trends. This technique is a thorough, methodical way to analyze textual data and find patterns. By analyzing texts using a coded system, content analysis allows one to turn qualitative data into quantitative data. In this study, the corporate social responsibility practices of public and private Indian businesses are compared and investigated. Since private companies in India generate significant profits, they should engage in CSR initiatives alongside public companies. [12]

Result and Discussion:

Both individuals and corporations have a shared responsibility to operate with the highest level of consideration for their environment and society as a whole. Typically, a company's financial performance is enhanced when it proactively embraces social responsibility, as opposed to being mandated to do so solely by regulatory requirements.

Businesses bear a social responsibility to act in the best interests of society, meaning they should prioritize the well-being of society and be mindful of the potential impact of their daily operations on society as a whole. However, it's important to acknowledge that, despite a company's sincere efforts, achieving social responsibility may not always be straightforward. [13]

Figure 1: Corporate Social Responsibility

CSR is nothing new to India. The following phases can be used to track the progression of CSR improvement:

Culture, religion, family customs, and industry all played a significant role in shaping CSR during its main phase. Business operations and CSR involvement were primarily developed in light of corporate autonomy. Despite being the oldest kind of CSR, philanthropy still continues to influence CSR practices, especially in terms of collective advancement.

Additionally, the business community played a significant role in ancient India, the traders provided relief during a crisis, such as starvation or pandemics, by opening go-downs of food and money boxes. [14]

The businesses examined were:

● Benchmarks: Tata and BP
● Information Technology: Wipro, Infosys
● Two-wheelers: Hero Honda, Bajaj
● FMCG: Dabur, Godrej
● Rural Marketing: Hindustan Unilever, ITC
● Telecom: Airtel, BSNL
● Real Estate: DLF
● Oil and Gas: ONGC, IOC

	Community	Environment	Education	Health
ITC	High	High	Low	Low
HLL	Medium	Low	Low	Low
AIRTEL	Medium	Low	Low	Medium
BSNL	Medium	Not yet started	Low	Not yet started
INFOSYS	Medium	Low	Medium	Low
WIPRO	Low	Low	Medium	Low
IOC	Low	Low	Low	Medium
ONGC	High	Medium	Low	Low
Godrej	Low	High	Low	High
Dabur	Low	Low	Medium	Low
Bajaj	Low	Low	Low	Low
Hero Honda	Medium	Low	Medium	Low
DLF	Medium	Low	Low	Low
Tata	High	High	High	Low
BP	High	Low	Low	High

High	Medium	The companies have been ranked high, medium or low based on their focus as reflected by the financials & organizational resources devoted to CSR causes, along with the number & size of initiatives
Low	Not yet started	

Table 1: Review of the Companies

	N	Mean	Std. Deviation	Skewness
	Statistic	Statistic	Statistic	Statistic
High CSR involvement for Company	100	1.5400	.50091	-.163
Companies Responsibility With CSR	100	2.6500	1.47966	.302
Issue of India Comapnies.	100	2.1600	1.04175	.547
CSR Is Part of Basic Business	100	1.5200	.50212	-.081
Valid N (list wise)	100			

Table 2: Analysis of Data CSR
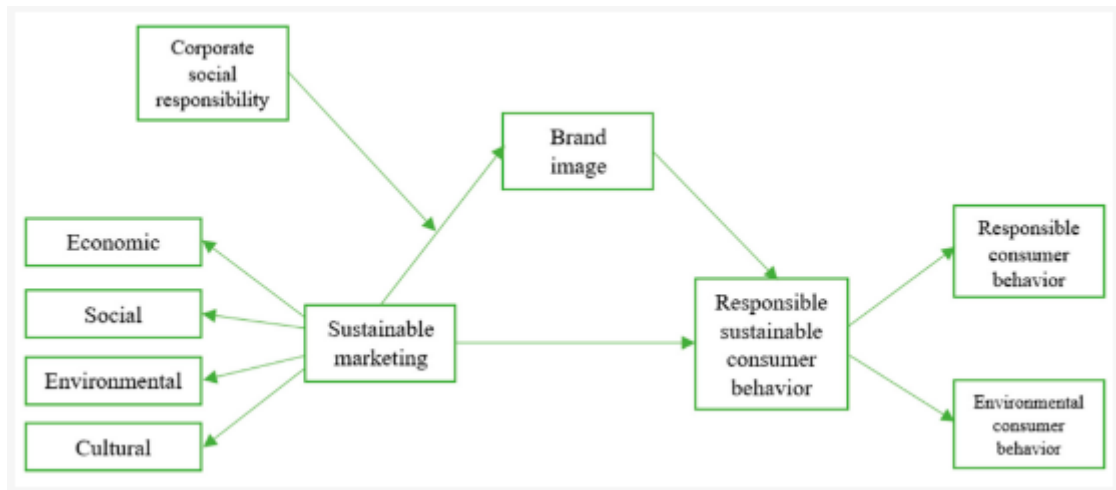
Figure 3: Conceptual Framework

Marketing for sustainability and brand perception:

The decision-making process and business activities led by the local community and consumers, such as production, sales, their social environment and environmental-friendly ethics are referred to as "sustainability marketing". Sustainability academics also support the incorporation of culture as a crucial component of sustainability marketing. By introducing culture as the fourth dimension, sustainability marketing now focuses primarily on achieving a balance and fostering mutual development among a company's economic, social, environmental, and cultural facets.

The term "social marketing activities" refers to "social contribution activities that achieve company's other objectives along with the ones intended to pursue profits." Furthermore, a company's charitable efforts influence the consumers' perceptions of it. Some researchers have linked a company's social initiatives to being a dependable indicator of consumers' tendencies to buy its products. Companies can enhance their brand image by actively engaging in social activities such as community volunteering, offering free health checkups to locals, sharing meals with people, and more.[15]

Through brand image, CSR moderates the direct correlation between sustainability marketing and RSCB (responsible sustainable consumer behaviour), making it stronger/weaker at greater/lower levels of CSR. [16]

The results of this investigation offer distinctive yet similar theoretical implications, including:

According to the first premise put out by the study, brand perception is positively connected with marketing actions that support economic, social, environmental, and cultural sustainability. According to a research, hotels that place a high priority on sustainability marketing strategies may more effectively portray their business as being socially and ecologically conscientious.

This is so because every aspect of sustainable marketing enhances the perception of the company. The findings of this investigation confirm those of earlier research linking brand image and sustainability marketing. Similar to this, numerous studies covering socially conscious marketing practices also document favorable relationships with brand image. This study strengthens the findings of earlier research and broadens the consequences in ways.

The second focus was on sustainability marketing, a broader concept that encompasses the economic, social, environmental, and cultural aspects of a company's activities. We initiated our study by assessing

how economic marketing, social marketing, environmental marketing, and cultural marketing influence consumers' perceptions of the company.[17]

Importance of Social Responsibility:

Corporate social responsibility has gained importance during the past few years. Few companies, such as Hallmark, are taking an ethical stand on strengthening the country in which we live, whether through providing clothing to the less fortunate, clean water to those in nations that are developing, or empowering women.

1. Employees are used to it.

One pathway to accomplishing this objective is through apprenticeship and volunteer opportunities. Individuals desire to be part of companies they have a say in. Forbes reports that if their employer contributes minimal to no funds to philanthropy, 32% of employees would seriously contemplate resigning.

2. It enhances the market appeal of businesses:

In a crowded market, it can be challenging to distinguish yourself. However, businesses that exhibit a dedication to various charitable causes might be viewed as more appealing than those that don't engage in any social responsibility efforts. Consequently, social responsibility marketing is vital for companies looking to retain or attract clients who value environmental, social, and economic concerns.

3. It attracts investors:

Given that they are aiding fund businesses; investors want to know that their money is being handled responsibly. One survey found that 83% of seasoned investors prefer to purchase shares of businesses known for their social responsibility.

Marketing is playing a significant role in communicating and implementing strategies that would create a culture internally and externally about doing good for the world and generating revenues for the long term. Sustainability and CSR are becoming part of companies' and organizations' long-term goals. By utilizing various marketing communication channels, such as public relations and publicity, organizations can implement corporate social responsibility practices that raise brand awareness, evoke positive brand emotions, and enhance brand perception, drawing in customers who share their ideals and ideas. [18]

Conclusion:

An in-depth scientific and comparative research, however, reveals the differences that social marketing aims to alter consumer behavior in order to benefit an organization whereas corporate social responsibility is a long-term investment in a company's reputation and brand awareness. The sustainability context must be considered while considering CSR actions. Solutions to these problems must be looked at holistically, taking long-term effects and challenges into consideration. In conclusion, sustainability and corporate social responsibility (CSR) both call on businesses and organizations to take accountability for their effects on the environment and society as a whole.

Both CSR and sustainable marketing focus on helping companies run in a way that allows them to be ethically profitable and both aim to make a positive impact on those around them. These two concepts are closely related, in fact sustainable marketing is part of corporate social responsibility, yet, there are some differences between them. CSR often looks backward and reflects on what a company has done to contribute to society. Sustainable marketing looks forward and develops a sustainable strategy for the future.

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