Impact of corporate social responsibility on brand awareness -

A mixed model review

Exposé

Submitted by

Héctor Ordás Gutiérrez

At the University of Kassel
Faculty - International business administration
EMBS

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Abstract

**Keywords:** Corporate Social Responsibility, CSR, Brand Awareness, Brand Communication, Mixed-model, Banking, measurement.

**Background:** Corporate Social Responsibility has become an important part of the acts that a company should take into consideration, either if they decide to run such programs or not. Almost every company bears in mind if it is good for the company to implement Corporate Social Responsibility programs and, whenever the answer is positive, how they should do it. One of the goals that a company would like to reach by running Corporate Social Responsibility programs is to improve its Brand Awareness.

**Purpose:** What I want to find out with this thesis is if the banking companies around the world which implement Corporate Social Responsibility have an increment of Brand Awareness. If the answer is yes, then I would like to discover in which countries companies are more likely to have an increment of their Brand Awareness.

**Method:** The thesis would be done through a mixed model. Quantitative data shall be taken from the different articles which will be used. This data founded will be summarized and analyzed in order to compare the results and effect sizes of the empirical literature. I will be using data from out of those articles in order to code the different levels of Corporate Social Responsibility and brand awareness that companies implement. Therefore it will be a mixed model rather than a pure meta-analysis.
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# List of abbreviations

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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>BA</td>
<td>Brand Awareness</td>
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1. Introduction

On the one hand, “Corporate Social Responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.” (Kotler & Lee, 2005, p.3, as cited by Kraus & Britzelmaier, 2012). According to this definition, corporate social responsibility (CSR) is something that is carried out in order to make a contribution to society. Therefore, CEOs would “inject their personal values into corporate decisions” (Chin, Hambrick & Treviño, 2013), which would result in many different programs and outcomes, but they would not expect any payoff from such activities.

Companies spend a lot of time thinking if they should implement some program related to this field, the result is not always positive, companies sometimes prefer not to go for CSR because “practitioners are left in a state of confusion when having to decide on how to tackle CSR in a way that benefits both the corporate brand and society at large.” (Vallaster, Lindgren & Maon, 2012). Here it is seen that companies not only look for society wellness but also for their own benefits and goals when running CSR programs.

On the other hand, “Brand awareness is a marketing concept that enables marketers to quantify levels and trends in consumer knowledge and awareness of a brand’s existence. At the aggregate (brand) level, it refers to the proportion of consumers who know of the brand.” (AMA, 2013). “Awareness of a product or the ability to bring it to mind has often been considered an important determinant of choice” (Nedungady & Hutchinson, 1975). Some companies make a lot of effort with the purpose of getting a good brand awareness (BA).

The goal of this thesis is to test the relation that exists between CSR and BA in the banking sector. As secondary goals I will test the countries where CSR works better towards BA in the given sector, if any, and what are the conditions under CSR becomes a good tool to increase BA.
2. Review of literature

This section will wrap up the different literature on CSR, BA and on how to create the mixed model that I will use in order to carry out the paper. The literature used will be shown in alphabetical order. CSR stands for the literature about Corporate Social Responsibility, BA stands for the literature about brand awareness, CSR & BA stands for the literature about both CSR and BA together and Meta-analysis stands for the literature about how to do a meta-analysis and statistical matters in general. As a matter of fact, this is the literature that I have used so far, but more literature will be added when I start developing the paper.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Author</th>
<th>Year</th>
<th>Title</th>
<th>Published</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>Burke, L., &amp; Logsdon, J. M.</td>
<td>1996</td>
<td>How corporate social responsibility pays off.</td>
<td><em>Long Range Planning</em>, 29(4), 495–502.</td>
<td>This paper examines if CSR gives benefits to the firms which run these programs and in which way.</td>
</tr>
<tr>
<td>Meta-analysis</td>
<td>Card, N.A.</td>
<td>2011</td>
<td>Applied Meta-Analysis for Social Science Research</td>
<td><em>The Guilford Press</em></td>
<td>Gives the steps and instructions on how to carry out a meta-analysis.</td>
</tr>
<tr>
<td>CSR</td>
<td>Chin, M. K., Hambrick, D. C., &amp; Trevino, L. K.</td>
<td>2013</td>
<td>Political Ideologies of CEOs: The Influence of Executives’ Values on Corporate Social Responsibility</td>
<td><em>Administrative Science Quarterly</em>, 58(2), 197–232</td>
<td>Analyzes how the political ideologies and values of CEOs shape the outcome of CSR programs.</td>
</tr>
<tr>
<td>CSR</td>
<td>Cochran, P. L.</td>
<td>2007</td>
<td>The evolution of corporate social responsibility.</td>
<td><em>Business Horizons</em>, 50(6), 449–454.</td>
<td>The authors shows how CSR has changed along the time.</td>
</tr>
<tr>
<td>CSR</td>
<td>Flammer, C.</td>
<td>2012</td>
<td>Corporate Social Responsibility and Shareholder Reaction: The Environmental Awareness of Investors</td>
<td><em>Academy of Management Journal</em>, 56(3), 758–781</td>
<td>Examines if shareholders are sensitive to CSR programs specially those which are focused on the environmental footprint.</td>
</tr>
<tr>
<td>CSR</td>
<td>Gjølberg, M.</td>
<td>2009</td>
<td>Measuring the immeasurable ?</td>
<td><em>Scandinavian Journal of Management</em>,</td>
<td>The author analyses how a company should be tested in order to know the extent to</td>
</tr>
<tr>
<td><strong>CSR &amp; BA</strong></td>
<td>Hartmann, M., Heinen, S., Melis, S. &amp; Simons, J.</td>
<td>2013</td>
<td>Consumers’ awareness of CSR in the German pork industry.</td>
<td>British Food Journal, 115(1), 124–141</td>
<td>Makes a research about the CSR activities in meat companies and analyzes if consumers are aware of those activities.</td>
</tr>
<tr>
<td><strong>CSR</strong></td>
<td>Husted, B. W., &amp; Allen, D. B.</td>
<td>2007</td>
<td>Strategic Corporate Social Responsibility and Value Creation among Large Firms.</td>
<td>Long Range Planning, 40(6), 594–610.</td>
<td>The authors analyze whether CSR can be a source itself of innovation, competitive advantage and value creation.</td>
</tr>
<tr>
<td><strong>BA</strong></td>
<td>Keiser, S. K</td>
<td>1975</td>
<td>Awareness of Brand and Slogans</td>
<td>Journal of Advertising Research, Vol. 15 Issue 4, 37-43</td>
<td>Focuses on the adolescents to know whether they are aware of the brand and slogans and what segments are more aware of these items.</td>
</tr>
<tr>
<td><strong>CSR</strong></td>
<td>Kraus, P. &amp; Britzelmaier, B.</td>
<td></td>
<td>A literature review on corporate social responsibility: definitions, theories and recent empirical research</td>
<td>International Journal of Management Cases 282-297</td>
<td>Describes the history of the historiography of CSR, from its creation to the last trends adopted by the authors.</td>
</tr>
<tr>
<td>CSR &amp; BA</td>
<td>Mattera, M., Baena, V., &amp; Cerviño, J.</td>
<td>2012</td>
<td>Analyzing Social Responsibility as a Driver of Firm’s Brand Awareness</td>
<td>Procedia - Social and Behavioral Sciences, 58, 1121–1130</td>
<td>Analyzes 16 Spanish companies and how the CSR programs which they implement affect on their BA.</td>
</tr>
<tr>
<td>CSR</td>
<td>Murray, K. B., &amp; Vogel, C. M.</td>
<td>1994</td>
<td>Using a Hierarchy-of-Effects Approach to Gauge the Effectiveness of Corporate Social Responsibility to Generate Goodwill Toward the Firm: Financial versus Nonfinancial Impacts.</td>
<td></td>
<td>The authors describe the reasons by which CSR should be measured.</td>
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<td>BA</td>
<td>Nedungadi, 1975</td>
<td>The</td>
<td>Association</td>
<td></td>
<td>Categorizes processes of brand</td>
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<tr>
<td>Authors</td>
<td>Title</td>
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<tr>
<td>P. &amp; Hutchinson, W.</td>
<td>prototypicality of brands: relationships with brand awareness, preference and usage.</td>
<td>for Consumer Research 498-503</td>
<td>choice from the points of view of the evoked set, brand awareness, psychology, etc.</td>
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<tr>
<td>O'Connor, M., &amp; Spangenberg, J. H.</td>
<td>A methodology for CSR reporting: assuring a representative diversity of indicators across stakeholders, scales, sites and performance issues.</td>
<td>Journal of Cleaner Production, 16(13), 1399–1415.</td>
<td>The paper introduces a framework where some solutions are given in order to structure the different CSR actions that a company can implement.</td>
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<tr>
<td>Öberseder, M., Schlegelmilch, B. B., &amp; Murphy, P. E.</td>
<td>CSR practices and consumer perceptions.</td>
<td>Journal of Business Research, 66(10), 1839–1851.</td>
<td>This paper compares the relation between CSR and consumer perception related to the CSR from a qualitative point of view.</td>
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<tr>
<td>Pollach, I., Johtsen, T. S., Nielsen, A. E., &amp; Thomsen, C.</td>
<td>The integration of CSR into corporate communication in large European companies.</td>
<td>Journal of Communication Management, 16(2), 204–216.</td>
<td>Sheds light on how some of the largest companies in Europe have developed a joint strategy regarding CSR and corporate communication.</td>
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<tr>
<td>Romaniuk, J., &amp; Wight, S.</td>
<td>The influences of brand usage on response to advertising awareness measures</td>
<td>International Journal of Market Research, 51(2), 203.</td>
<td>Examines the effectiveness that advertising has when a company wants to get more awareness.</td>
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<tr>
<td>Servaes, H &amp; Tamayo, A.</td>
<td>The Impact of Corporate Social Responsibility on Firm Value: The Role of Customer Awareness</td>
<td>Management Science 59(5), 1045–1061.</td>
<td>Shows how CSR and BA by customers are related in the companies.</td>
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<tr>
<td>Smith, K. T., &amp; Alexander, J. J.</td>
<td>Which CSR-Related Headings Do Fortune 500 Companies Use on Their Websites?</td>
<td>Business Communication Quarterly, 76(2), 155–171.</td>
<td>Shows how companies try to communicate to their stakeholders that they implement CSR activities.</td>
<td></td>
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</tr>
<tr>
<td>Sprinkle, G. B., &amp;</td>
<td>The benefits and costs of</td>
<td>Business</td>
<td>The authors shed light on the contrasted perspectives on CSR.</td>
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<tr>
<td>Author(s)</td>
<td>Title</td>
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<td>Maines, L. a.</td>
<td>corporate social responsibility.</td>
<td>Horizons, 53(5), 445–453.</td>
<td></td>
<td>that authors have.</td>
<td></td>
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<tr>
<td>BA Swerdluck, M.</td>
<td>Marketing initiatives build brand awareness</td>
<td>Marketing health services, 28(2), 8–9.</td>
<td>2008</td>
<td>Analyzes what kind of practices are more likely to result in BA.</td>
<td></td>
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<tr>
<td>BA Vass, K.</td>
<td>Branding: Not Just For Cattle Ranchers</td>
<td>Marketing Tools (February) 18-20</td>
<td>2005</td>
<td>Explains how a company can be differentiated with a consistent message and a good logo.</td>
<td></td>
</tr>
<tr>
<td>CSR Visser, B. W.</td>
<td>CSR and the Financial Crisis: Taking Stock</td>
<td></td>
<td>2008</td>
<td>The author tries to shed some light on the causes of the financial crises by describing the situation and the actions taken before 2008.</td>
<td></td>
</tr>
<tr>
<td>CSR Whelan, G.</td>
<td>The Political Perspective of Corporate Social Responsibility: A Critical Research Agenda,</td>
<td></td>
<td>2012</td>
<td>The author analyzes CSR from a political point of view.</td>
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</table>
3. Hypothesis and research question

The goal of this thesis is to find out if there is some correlation between CSR programs run in the banking companies and their BA. I will use one hypothesis and one research question in order to reach the main goal that I am targeting. I will try to test the hypothesis and the research question using a mixed model approach as I explained before, the reasons to do so will be presented in the following chapter.

**Hypothesis:**

Different sectors of economy have been hit by some scandals over the last decades. One of the sectors which have been more damaged by those scandals is probably the food sector, specially the one dedicated to meat production. “Scandals on rotten meat, dioxin, animal torture or inadequate labor conditions have gained considerable media attention and put the reputation of the whole sector at risk” Albersmeier and Spiller, 2009; Heyder and Theuvsen, 2009 (as cited by Hartmann, Heinen, Melis & Simons, 2013).

Other sectors’ image as banking has been hit by the financial crisis, “we can say that the financial crisis is a direct result of irresponsible banking.” (Visser, 2008). I would like to test whether the banking sector is capable to get rid of the bad fame which has been put on them by running CSR activities and if these activities provide them brand awareness.

**H₁:** The more resources that companies use to implement CSR activities the more BA that these companies get.

This would be the more general hypothesis which would test the correlation between the independent variable (CSR) and the dependent variable (BA). In order to analyze this correlation I must set some rules to classify the level of commitment that each company has with CSR. These rules will be explained in the chapter dedicated to the methodology.

**Research questions:**

**RQ₂:** What is the nationality of the companies which get more BA by implementing CSR activities?

I would like to find out whether in some countries running CSR activities is more efficient in order to get an increase in BA.
RQ$_2$: What is the standard(s) which gives more BA to the companies?

I would like to know what is the standard that a company should accomplish in case that it wants to accomplish only with one of them.
4. Methodology

The hypothesis and the research questions stated above will be tested by doing a mixed model where I will be using parts from meta-analysis and parts from other methodological approaches. My intention is to make a quantitative integration of data in order to analyze it and find conclusions.

I will follow the steps that Card suggests in his book “Applied Meta-Analysis for Social Science Research”, thus this book will be my reference when I start developing the mixed model.

According to the main goal of meta-analytical combination by Card, 2011, p. 17 “Goal of meta-analytic combination is to identify the average effect sizes, and meta-analytic comparison evaluates associations between these effect sizes and study characteristics.” This is what I would like to do along the paper. However I must look for some data in order to code the different companies into low, medium and high CSR implementers. That is why I call mixed model to the way I will use the information that I will gather. It will not be a pure meta-analysis.

When looking for the literature which I will need in order to get my objectives I will use mainly the top ranked journals, but also some not very well known journals. “The goal of searching and retrieving the literature for a meta-analytical review is to obtain a representative, unbiased collection of studies from which inferences can be made about a larger population of studies.” (Card, 2011, p. 36). Therefore if I used only the top ranked journals my thesis could be biased by these journals, thus I will use prominent and periphery journals, giving more importance to the former than to the latter.

Regarding the literature selected for the paper, I will use broad criteria because I would like to make generalizable inferences about a big sample. This is the main advantage that broad criteria has against a narrow one.

Finally, the coding decisions must be guided by the principles of transparency, replicability and reliability in order to make a good and transparent job, where everybody could repeat the steps which I have done.

I will take most of the data directly from the different articles which I will read in order to develop my thesis, however there will be some data which will not be found in those articles, therefore I will be forced to look for the missing data in other sources. Here it is where the mixed model comes, I must take data not only from the literature already written, in which case it would be a meta-analysis, but also I must look for information in other sources. This
means that I will be using parts from a meta-analytical approach (coding the existing data) and also data which will be coded and analyzed by me from mostly international organisms dedicated to CSR and sustainable business overview.

When testing the proposed hypothesis which would analyze the correlation between the independent variable (CSR) and the dependent variable (BA). I must set some rules to classify the level of commitment that each company has with CSR and, in my opinion, these rules should be as objective as possible.

Banks are usually big companies, they are big enough to fulfill certain standards which are worldwide recognized. If the companies which I want to study were smaller perhaps it would not be a good idea to have these standards as reference. For my paper I will use three standards which are wide spread: ISO26000, review by Global Reporting Initiative (GRI) and achieving the Carbon Disclosure Project Guidelines (CDP).

I will classify the companies in three groups:

- Low: when the company fulfills one standard
- Medium: when the company fulfills two standards
- High: when the company fulfills the three standards.

In order to classify the companies according to their BA I will use the different reports and web pages dedicated to this task in every country and area. As an example, I will use for Spanish companies “Foro de marcas renombradas españolas” whose webpage is www.marcasrenombradas.com.
5. Preliminary structure

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   2.2 Definition of Brand Awareness
   2.3 Why to cross Corporation Social Responsibility with Brand Awareness
3. Research methodology
   3.1 Justification on mixed model.
   3.2 Mixed model
      3.2.1 Coding the data
      3.2.2 Basic effect size computation
      3.2.3 Corrections to effect sizes
      3.2.4 Computing mean effect size and heterogeneity around this mean
      3.2.5 Moderator analyses
      3.2.6 Fixed, random or mixed effect model
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5. Conclusion, limitations and future research
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### 6. Work plan

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<td>01.10.2013-21.10.2013</td>
<td>Literature research</td>
<td>Discussion of expose</td>
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<tr>
<td>22.10.2013-31.11.2013</td>
<td>Literature research and write literature findings</td>
<td>Development of the theoretical part</td>
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<tr>
<td>01.01.2014-31.01.2014</td>
<td>Analyzing</td>
<td>Execution of the mixed model</td>
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<td>Evaluation</td>
<td>Evaluating the results of the mixed model</td>
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<tr>
<td>01.03.2014-15.05.2014</td>
<td>Finalization</td>
<td>Finalizing master thesis</td>
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7. Bibliography


