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CORPORATE BRANDING THROUGH CORPORATE SOCIAL RESPONSIBILITY

Abstract

The role of corporate social responsibility (CSR) in the corporate branding process involves managing corporate image and reputation in the minds of others. Contemporary organizations are aware that CSR actions are being carefully monitored not only by consumers, but also by all stakeholders. Enhanced interest in social and environmental issues highlights the need for corporate branding strategies to reflect cultural trends in a wider environment to which organizations belong.

Keywords: corporate social responsibility, brand, corporate branding, corporate image, corporate reputation.

1. INTRODUCTION

The role of corporate social responsibility (CSR) in the corporate branding process is essential, since it involves managing corporate image and reputation in the minds of others. Contemporary organizations are aware that CSR actions are being carefully monitored not only by consumers, but also by all interested parties.

With the change in the social minds in regards to the environmental and the social matters in the 21st century, organizations recognize the necessity of developing corporate brands that reflect the social tendencies in a broader scope. The corporate social responsibility confirms the belief that modern brands should represent socially important matters that reach beyond the national, the cultural, and the linguistic boundaries. The role of CSR in developing the brand and its reputation becomes increasingly important for the organization's development and success. In relation to that the aim of this article to present the corporate social responsibility as a business philosophy of a significant role for the organization's communications and branding. The resulting tasks are related to the theoretical highlighting of the evolution in the development of corporate social responsibility concepts and the experience to outline the prospects CSR opens for brand development as well as to analyze leading methodologies for assessing the impact of corporate social responsibility on the corporate brand by presenting a ranking of the leading brands in Bulgaria according to Superbrand for 2019.

2. DEVELOPMENT OF THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

The concept of corporate social responsibility is not new but it has been actively developing during the last decades. In the process of reviewing its development one can form several general stages that have influenced the ideas on corporate social responsibility.

In the 50s and the 60s the corporate social responsibility became a part of the corporate management in the USA and Canada. Exactly then emerged the idea for a new organizational model and its role in the world. During those years the idea for corporate social responsibility referred generally to the issues of the corporate philanthropy, the social insurances of the personnel, as well as the support to the local governments and sponsorships. CSR entirely referred to the functions of the corporate public relations or PR (public relations) of the organizations. Before that period, different standards and regulations have appeared in the area of the corporate management defining the approaches for protection of the environment, the corporate ethics, the relations with the competition, the duties before the society and the state.

However, since the end of the 70s, the big organizations in USA and Europe began to recognize the necessity of combining heterogeneous elements into the corporate politics related to the company relations with the environment, as well as to develop new approaches for interaction with the society. These politics should, on one hand, be committed to the philosophy of the organization and its marketing strategy, and on the other hand, to correspond with the expectations of the society. The reasons that force the big organizations to begin to pay better attention to their public relations are the increased pressure by the governments and the syndicates in reference to the higher standards in the area of the labor legislation, environmental protection, and the significantly increasing connection between the public opinion and the competitiveness of the organization. Of critical importance for the purchase decision is not only the quality of the product or the advertisement efficiency, but also the image of the organization and its responsible conduct in regards to the environment and the interested parties.

In the beginning of the 90s the corporate social responsibility is not only a matter of relations between the organizations and the public, but it is also based on the principles and the approaches for social responsibility. The social responsibility politics have turned into an integral part of the evaluation on the business and the success of the organizations. The modern organizations realize their social responsibility towards the interested parties and pay increasing attention to the development of the various social programs and the constructive cooperation in the public area among the government authorities, the employers, and the employees.

In the beginning of the 21st century the majority of the organizations in the USA and in Western Europe have formed their own social responsibility politics, and the influence of CSR on the overall management has become much more interesting topic for researches.

In all the stages of the development of the concept of corporate social responsibility, were raised different definitions for the essence of the concept. It is necessary to make the remark, that CSR is a constantly developing concept, thanks to which there is no unified definition. I al the stages of development of the conception, were created different definitions connected to other terms and ideas of corporate social responsibility, including the corporate sustainability, the corporate citizenship, and the corporate ethics. Table 1 contains a review of the most popular definitions of CSR during the years, as the authors of this article do not claim conciseness and fullness.

Table 1 Definitions for corporate social responsibility

Year	Author	Definition
1953	Bowen	CSR refers to the obligations the managers have on following those politics, to take those decisions, or to follows those lines of actions which are necessary regarding the purposes and values of the society.
1963	McGuire	The idea for social responsibility suggests that the corporation has not only economical and legal duties, but also certain responsibilities before the public that reach beyond these duties.
1980	Jones	Corporate social responsibility is the idea that the corporations have their duties toward certain social groups different from the shareholders, who are described in the law or in the syndical contract.
1987	Epstein	Corporate social responsibility generally refers to gaining results out of organizational decisions on certain matters that have a beneficial effect on the interested parties. The legal correctness of the products from the corporate actions is the sole focus of the corporate social responsibility.
1979	Carroll	The social responsibility of business covers the economical, the legal, the ethical, and the discretionary expectations of the society for the organization at a given moment.
2000	World Business Counsil for Sustainable Development	The corporate social responsibility is the constant engagement of the organizations to behave ethically and to contribute to the economic development as meanwhile improve the quality of life of the workforce and their families, as well as the local communities and society as a whole.
2006	Commission of European Communities	The corporate social responsibility as a conception where the companies integrate the social and environmental care into their business operations and their interrelations with the interested parties in their free will.
2007	ISO 26000	The social responsibility is a responsibility of the organization about the influence of its decisions and operations on the society and the environment through a transparent and ethical behavior compliant to the sustainable development and the social wellbeing; takes into account the expectations of the interested parties; is compliant to the applicable law and observes the international norms of behavior.
2011	European Commision	The Commission puts forward a new definition of CSR as "the responsibility of enterprises for their impacts on society"
2019	Investopedia	Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable — to itself, its stakeholders, and the public.

3. ESSENCE OF THE CORPORATE BRAND AND THE CORPORATE BRANDING

In order to better understand the essence of the corporate branding is wise to separate the terms corporate brand and corporate branding. Table 2 presents the most popular definitions for corporate brand and corporate branding.

Table 2 Definitions of corporate brand and corporate branding

Corporate brand	Corporate branding
... The visual, verbal and behavioral expression of the unique business model of the organization. (Knox and Bickerton, 2003)	... A systematically planned and incorporated process of creating and maintaining a favorable reputation of the company with its components through sending signals to the interested parties who use the corporate brand. (Van Riel, 2001)
The corporate brand is the communications interface between the organization and its interested parties. (Leitch and Richardson, 2003)	... a conscious decision of the higher management to distill and announce attributes of organizational identity in the form of a clearly defined trade mark. (Balmer, 2001)
Distinctive image (or imaginary picture) of the corporation that influences on the behavior of the interested parties. (Meffert and Bieverd, 2005)	Corporate branding is the total sum of organizational signs being transferred to different publics through the general values the organization stands for. (Christensen and Askegaard, 2001)

Out of these definitions one can draw the conclusions that the corporate branding refers to a constant process of managing the corporate brand as a unified whole. The corporate brand has a certain level of stability connected with its image in the mind of the interested parties, while corporate branding is a constant set of actions for rendering, communicating, transforming and improving the corporate brand.

Corporate branding is being developed generally by marketing specialist and researches beyond the marketing area or the non-marketing perspectives are still very limited. However, the success of the corporate branding depends not only on the marketing instruments, but also on many other management methods through which it is possible to influence the interested parties, for example the corporate social responsibility.

4. CORPORATE BRANDING THROUGH CORPORATE SOCIAL RESPONSIBILITY

Numerous researches were made in order to explain how the brand value appears in the consumers' minds (Aaker, 1991, 1996; Keller, 1993, 2001, 2013; de Chernatony, McDonald & Wallance, 2011, Yoo & Donthu, 2001). Despite the many developments, there is no consensus on the choice of specific brand value dimensions, the existing links between them or an appropriate way to measure them. The number of brand value dimensions varies in the scientific developments - from one dimension (Ailawadi, Lehmann & Neslin, 2003) to five (Lassar, Mittal & Sharma, 1995). A detailed review of existing brand value models shows that most of the research uses the main views reflected in Aaker's (1991, 1996) and Keller's (1993, 2013) works. The brand value dimensions identified by the two authors indicated above generally serve as the basis for different brand value models and are present either directly or indirectly among the dimensions proposed by other scientists. It should be emphasized that Aacer's model (1991, 1996) integrates the learning process that occurs in the user's mind and affects his subsequent behavior and loyalty to the brand. Acker's conceptualization of brand value and its dimensions were used in the models proposed by Gordon et al. (1993), Michael, King and Reest (2001), Van Riel et al. (2005), Kim & Hyun (2011). However, only two works (Gordon, Calantone, & di Benedetto, 1993; Kim & Hyun, 2011) include the four dimensions presented by Aaker (1991, 1996) in a conceptual model.

For the contemporary consumers it is not enough for the product to satisfy some basic needs, but it also has to offer an additional value. From the organizations viewpoint this means that the basic need of the consumers has been satisfied by the generic product, but in order to provide additional value the product has to be differentiated. Organizations thrive to develop a differentiated brand that provides a sustainable additional value which should satisfy the

consumers' needs and desires. Using a good CSR strategy can differentiate the brand and provide value for the customer.

The corporate social responsibility is an attribute used to develop a strong *corporate identity* that creates a *positive image* of the organization, which in its turn brings to *positive attitudes* and influences the behavior of the consumers.

Corporate identity refers to the way in which the organization represents and positions itself in the minds of consumers. CSR may be an important instrument for creating positive corporate identity connected to the solutions on social issues. The positive corporate identity is the basis for creating a strong brand, since it protects and differentiates the organization from its competitors who render identical products on the market. In the process of creating its corporate identity the organization evaluates its resources in abilities in order to establish its corporate values. The brad's basic values should be important and attractive for the target consumers this is why organizations choose social issues that concern the consumers, when developing their corporate identity. When the brand identity is being successfully developed, it should be carefully positioned in the consumer's mind to be able to build loyalty.

The corporate image is a reflection of the corporate identity, and can be described as the image the consumers actually have about an organization. The more homogeneous are the corporate identity and the corporate image, the more integrated is the corporate brand. Often organizations are able to develop a strong corporate identity through techniques and methods of influence on the corporate image, among which is CSR. When they buy products with a positive image the consumers use the brunt as a means to express themselves and for social acceptance, in order to improve their own image and the suggestion they want to give to the others. This positions the positive corporate image in the basis for developing successful commercial relations with the target consumers. Corporate image is being developed on the basis of powerful associations that serve as a basis for making the purchase decisions and for brand loyalty. Associations are that part of marketing which creates a set of assets connected to the brand and adding value to the product. Positive associations to the brands lead to positive attitudes which develops brand loyalty and competitive advantages for the organization. Associations can either be based on non-material assets (e.g. corporate social responsibility), or on product specifications (e.g. leader in technology). Market success is not based on product superiority, because technologies develop at a great speed and organizations become vulnerable against innovations. For this reason non-material factors like CSR are usually perceived as more efficient associations because they are more sustainable and harder to copy by the competitors.

Consumers' adjustments to a given brand serve as a basis in taking a purchase decision. The process of taking a decision for a purchase passes through several stages which are being influenced by a number of factors, among which the actions of the organization in respect to the corporate social responsibility.

- Recognizing the need

The purchase is something that the consumer makes in respond of one's need. When the consumer recognizes that there is a substantial difference between his/her current condition and the desired one, a need emerges.

- Search for information

In order to satisfy an emerged need, the consumer starts looking for information. When the consumers are highly occupied, they are searching for a more active information due to which it is crucial that the organization has succeeded in developing a positive and differentiated corporate identity.

- Evaluating competitive brands

After gathering the information, the consumer evaluates the brands according to the criteria that he/she considers to be most important for making the decision for a purchase and

satisfying the need. The evaluation is being made by taking into account the attributes of the various brands and it is being studied how each attribute of the brand adapts to the needed characteristics. At these evaluation procedures, the negative CSR associations may have a detrimental influence, while the positive CSR associations can improve the evaluation for the brand. The brand evaluation is being made by categorization. Consumers use what they already know about a given brand, and those things which make possible placing the brand in a certain category. The good brand positioning is critical for this step of the process of making the decision for a purchase because marketing may influence on which other brands will be compared. Therefore, if a brand is positioned in respect of CSR, it will most probably be compared to other socially responsible brands.

- A decision for a purchase

After a category of attractive brands has been created, the consumers make a choice based on certain evaluation criteria when they are deciding between the certain options. They also observe how the products differ from each other, and the attributes used for differentiating the choice are defining attributes.

- Evaluation of the purchase after the sale

If the consumer is satisfied after the purchase, the positive attitude increases and that influences the consumer to look positively on the brand in future purchases. Thus brand loyalty is created. In industries where the consumers are strongly engaged with certain brands the use of CSR as a defining tool can develop brand loyalty.

In order to survive in the intense competitive global market it is critical that every organization made an effort for differentiation in the mind of their customers and the rest of the interested parties. Investing in a strong corporate brand is a good opportunity to gain competitive advantage, and more and more organizations adopt various strategies to develop it on the basis of corporate social responsibility. The corporate social responsibility influences the corporate brand and the structure of the organization, because it serves as tool for building trust and helps the consumers and the investors to identify themselves with the values of the organization.

5. METHODOLOGIES FOR EVALUATING THE INFLUENCE OF CSR ON THE CORPORATE BRAND

There are many methodologies for measuring the value of the brand and we will introduce the core of the more famous ones.

5.1. The Model „Brand Value" by David Aaker[1]

His model consists of 10 elements. These are:

- Differentiation
- Satisfaction of loyalty
- Perceived quality
- Leadership or popularity
- Perceived quality
- Brand individuality
- User-supported associations to the organization
- Brand awareness

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[1] Aaker, David A., Managing Brand Equity, Free Press, 1991

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- Market share
- Product price or distribution range

5.2. Brand Equity Index

This index was introduced by Bill Moran and it analyses three factors:[12]

- *Average effective marketing share.* It represents the sum of the market share of the brand in all segments in which it competes, expressed by the sales shares of the brand in each segment.
- *Relative price.* It represents the price of the products sold with the given brand divided by the average price of competing products on the market.
- *Sustainability* measures customer retention levels or their loyalty. It represents the percentage of customers who will continue to buy products with the same brand in the next year.

5.3. BrandAsset Valuator by Young & Rubicam

The large international marketing communications agency Young & Rubicam has developed a brand diagnostic tool called BrandAsset Valuator (BAV). It measures and tracks the strength and value of the brand. It includes four main dimensions:

- *Differentiation:* The differentiating characteristics of the brand and its distinctiveness over the main competitors.
- *Parity:* Relevance and association of the brand with a user. There is usually a correlation with the market share.
- *Respect:* Attractiveness of and respect for the brand. The extent to which consumers like and appreciate the brand.
- *Recognition:* Level of consumer awareness of the brand and understanding of what it represents.[13]

5.4. BrandZ by Millward Brown

BrandZ is a data base on the brands value by the Company Millward Brown The BrandZ methodology for evaluating the brands value consists of three basic columns:[14]

- *Significant Brands:* In each category, these brands create more emotional engagement in users and meet individual expectations and needs.
- *Different brands:* These brands are unique in the positive meaning and create trends. They are at the forefront of providing benefits to consumers.
- *Prominent (remarkable):* They emerge spontaneously into the minds of consumers as a choice of brand that meets key needs.

5.5. Interbrand[2]

Interbrand is perhaps the most popular methodology for defining brand value since every year Business Week publishes Interbrand's Best Global Brands report.[15] The report presents the world's one hundred most valuable brands. The Interbrand methodology is the first to receive an ISO

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[2] https://www.interbrand.com/best-brands/best-global-brands/2018/

quality certificate. In order to create the annual report, Interbrand examines three key aspects that add value to the brand:

- The financial results of branded goods and services.
- The role the brand plays in influencing consumer choice.
- The power the brand has to set a premium price or the company's secure revenue.[16]

5.6. Methodology of Reputation institute[3].

Here the brand is being evaluated under seven basic criteria:

1. Quality of products and services,
2. Innovations
3. Labor conditions,
4. The ability to manage,
5. Level of social responsibility,
6. Leadership qualities,
7. Effectiveness and efficiency.

5.7. Superbrands methodology

The methodology for selecting and evaluating brands is universal for all 80+ countries participating in the Superbrands program. It includes the following indexes:

- **Quality:** Does the brand symbolize the quality of the products or services offered?
- **Reliability:** Is the brand trusted, does it maintain a high standard of products or services?
- **Difference:** Is the brand well known in its sector? Is it successfully differentiated from its competitors? Does it possess individuality and values that make it unique in the market?

As Superbrand explores the brands in Bulgaria, we will look at this methodology in more detail by presenting good CSR practices ranking the companies for 2019.In the users' vote of Superbrands Bulgarian edition for 2019, a total of 2,195 men and women, urban residents using the Internet, participated. The highest share among participants is 36-45 years (34%), followed by 26-35 years (31%) and over 45 years (24%). The brands nominated in the survey are rated by sectors in 27 categories, including cars, the internet, restaurants and cafes, soft drinks, wines, coffee, leisure and entertainment, telecommunications and more.

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[3] https://www.reputationinstitute.com/

Table 3 Brands recognized for 2019 by Superbrand Bulgaria

DEVIN	Beverages – soft drinks / mineral water
bTV	Media – TV and radio
DOMAINE BOYAR	Drinks – wines
KEMPINSKI GRAND ARENA BANSKO	Travel – hotels, resort complexes\
HAPPY BAR & GRILL	Restaurants and cafes
PEOPLE'S THEATER 'IVAN VAZOV'	Leisure and entertainment
IDEAL STANDARD	Household / Sanitary ware
ADDRESS REAL ESTATES	Construction and Real Estate
A1	Telecommunications
TECHNOPOLIS	Retail chains and centers / hypermarket chain for electronics
DSK BANK	Financial services / banks
DZI	Financial services / insurance
DANON ACTIVIA	Food / dairy products
MADJAROV	Food / dairy products
DERONI	Food / Canned Food

Address real estate promotes donation and volunteering in the workplace

DSK Bank has many initiatives in the area of CSR, but the most important is the one connected to their partnership with SOS Children's Villages.

BTV - contribution to the development of education through various training programs, eco- and social campaigns, support for fund raising actions aiming to help Bulgarian children, etc.

Danon AD has carried out numerous projects, including the Danon Green School: All About Nature", with which the company aims to build a sustainable, environmentally friendly way of thinking applied to people's everyday deeds and behavior.

Devin - Priority for the company is the protection of the environment and the promotion of the active lifestyle.

Ideal Standard - Invests in Waste Management Facilities and Systems and Elimination of Harmful Emissions. They enter many eco initiatives. They have donor campaigns and sponsorships for various events in Sevlievo and the region.

Happy Bar & Grill restaurants support UNICEF Bulgaria through a long-term partnership "Together for the Children".

The Corporate Social Initiatives form and support public opinion about companies as responsible citizens. The contribution of cause-related marketing and the promotion of a corporate cause to the successful corporate brand positioning of is based on common priorities in the company's communication policy - cooperation with other organizations and contacts with external target audiences. A significant role for companies' image is the volunteering initiative, which is expressed by companies supporting their employees and / or partners who have decided to voluntarily sacrifice their time to support local public organizations and causes.

6. CONCLUSION

The growing role of the corporate social responsibility for the success and the development of the organizations raises the question of integrating the social activities into the marketing strategy planning. Consumers become more and more informed and begin making decision for purchases based not only on the product or service quality, but also on the additional value they bring to the

interested parties as a whole. The increased attention of the society towards the social and the ecological impact forces the modern organizations to use the CSR activities as a tool for improving the image and developing a strong and positive corporate brand. Corporate Social Responsibility moderates the idea of a successful business in line with the rules of loyal partnership, fair competition and the public role of the business unit as a responsible citizen. Identified as a system in the system, as a pre-determined by the branding processes, corporate social responsibility is among the leading factors that outline new opportunities for effective brand positioning.

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