PLACING SOCIAL MARKETING IN THE PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY: FOCUSING ON ENVIRONMENTAL ISSUES

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ABSTRACT

As the awareness of social problems and environmentally related issues in particular becomes widespread, companies have been called to participate in the resolution of these, given that they are the main economic agents with impacts on the society and on the environment. Considering that corporations face pressures from their stakeholders to contribute to solving the social global issues that are affecting them, this theoretical paper analyses the role of stakeholder theory, a new management paradigm, and the importance of social marketing to achieve the aims of corporate social responsibility (CSR). The key point of this study is the possible contribution of social marketing to ensuring the companies’ voluntary involvement in promoting social and environmental well-being, supporting them to respond to stakeholders’ requests, due to its capacity of providing, over time, quantifiable improvement on social issues. In this context, this study explores the linkage between stakeholder theory, CSR and social marketing concepts, giving particular attention to the social marketing contribution to solving environmental issues.

Keywords: Stakeholder Theory, Corporate Social Responsibility, Social Marketing, Environmental Issues

JEL Classification: M310, M140

1. INTRODUCTION

Since society has gained more awareness of social issues, including environmental and natural resources protection, pressures on corporations have increased to make them more prone to adopt sustainable behaviors (Lowe, Lynch and Lowe, 2015; Wei and Lu, 2015). This means that contemporary corporations have been called to commit on global social and environmental purposes to guarantee society’s well-being, including environmental protection. In this sense, corporations, especially the “giants” that influence the lives of millions of people, need to assume an ethical position towards society and the environment, the so-called social contract (Donaldson, 1982).

While classical management theories focus on companies’ shareholders (stockholders) as the only interested party to whom the company needs to justify its performance (Friedman, 2007), the postmodern stakeholder paradigm considers a wide-ranging view of the corporation’s diverse stakeholders, considering that value creation is only ethical and nowadays possible when respecting not only shareholders’ ambitions but other stakeholders’ needs as well. In fact, stakeholders are “groups or individuals that can affect or be affected” by corporation actions (Freeman, Harrison, Wicks, Parmar and Colle, 2010). As stated by
Freeman et al. (2010: 27), “no stakeholder stands alone in the process of value creation. The stakes of each stakeholder group are multifaceted and inherently connected to each other”. Accordingly, companies need to build effective relations with their stakeholders, including satisfying their requests regarding environmental and social issues. These practices, in turn, enable the company to commit on corporate social responsibility (CSR) (Cantrell, Kyriazis and Noble, 2015). Given its ability to provide support on complex social issues, social marketing (SM) can be considered as a capable CSR initiative to respond to stakeholders’ needs. This happens because SM is focused on influencing behavior changes towards society’s well-being, including improvements in the environment, while monitoring the programs’ results (Kotler and Lee, 2005a, 2005b; Saraiva, 2012; Lowe et al., 2015).

Within this context, this theoretical paper aims to understand the role of SM in the practice of CSR. More specifically, this study is intended to provide bases to distinguish the concepts of stakeholder theory and CSR, CSR and SM, while giving insights about how they converge. Particular attention is given to the contribution of SM to solving environmental issues. Although it is known that the SM in corporate context aims to meet part of CSR objectives (Kotler, 2005a, 2005b), there is still scant literature positioning the discipline in this process. For that reason, this study intends to bring key aspects to this discussion, guided by an attempt to answer the following question: How can SM answer stakeholders’ requests, contributing to meeting part of CSR objectives?

2. THEORETICAL BACKGROUND

2.1. Stakeholder theory: a postmodern management paradigm

Nowadays, literature shows that companies must be concerned with “People”, and environment (“Planet”), besides financial issues (“Profits”), the three Ps of the sustainability concept, since all these aspects are linked and are the triple bottom line of sustainable management. Sustainable management, in turn, considers the needs and the requirements of all the company’s stakeholders (Rego, Pina e Cunha and Ribeiro, 2013). In this sense, a stakeholder can be defined as “[…] any group or individual who can affect or is affected by the achievement of a corporation’s purpose” (Freeman, Harrison and Wicks, 2007: 6). According to Rivera (2004) the most important stakeholders on environmental issues are usually consumers, government agencies, the media, industry associations and environmental groups. However, there are diverse ways of thinking about the correct corporate relation with the various stakeholders, as these groups affect the company in different ways. For that reason, they can be divided into primary stakeholders, i.e. those the company cannot survive without, and secondary stakeholders, i.e. those that can influence or be influenced by the company but without compromising its existence. Some managers consider that companies must be concerned with all of them, although putting particular attention on the former; other managers state that the secondary stakeholders only have importance if they affect the interests of the shareholders (stockholders) (Rego et al., 2013). Nevertheless, the importance of specific groups varies from company to company. For instance, environmentalists, as secondary stakeholders, can affect the relation between the corporation and the community or between the corporation and a segment of customers; however, a specific company can have the environmentalists, or others from the external circle (Figure 1), as a primary stakeholder (e.g. toxic waste disposal businesses) (Freeman et al., 2007). Moreover, Freeman et al. (2007) consider that, in a free economy, the community must be amongst the principal (primary) stakeholders (Figure 1), just as the customers, employees, suppliers and financiers, emphasizing that these are the groups that affect, or are affected, by most businesses. In turn, the secondary stakeholders “can affect or can be affected” by the accomplishment of
a corporation’s mission as well. They essentially have the ability to influence the relation between the primary stakeholders and the corporation.

According to stakeholder theory, companies need to manage the relationship between all the diverse groups (stakeholders) that have a connection to corporations’ activities, including shareholders (stockholders), customers, suppliers, employees, communities and others. Therefore, companies must create value when interacting with them, guaranteeing that everybody continually wins over time (Donaldson, 1982; Carroll, 1991; Freeman et al., 2007; Freeman et al., 2010; Freeman and Moutchnik, 2013). This perspective contrasts with the classical paradigm, which argues that the manager must act only in the interest of the shareholders (stockholders) (Friedman, 2007). In this sense, Freeman et al. (2010) suggest that Friedman’s thought is compatible with stakeholder theory, because both paradigms are concerned with the interests of the shareholders. Still, there is an important difference between them. While Friedman focuses on maximizing profits, the authors believe that the most important is satisfying the stakeholders’ interests, creating value for all, and thus maximizing value in a sustainable way. As referred by Freeman and colleagues (2007: 4), “the idea that we need to pay attention to only one of these groups, the people that supply the capital (stockholders or financiers [shareholders]), if we want to build and sustain a successful business, is deeply flawed.”

2.2. From stakeholders theory to corporate social responsibility
Stakeholder management has an accepted linkage with CSR (Freeman, 1984; Carroll, 1991). The concept of stakeholder was first mentioned in the Stanford Research Institute in 1963 and was spread in strategic management literature, including CSR (Freeman, 1984). According to Freeman (1984), a distinguished aspect of CSR literature is the application of
the stakeholder concept to the non-traditional stakeholders, providing more relevance to the public, to the community, or to the employees.

The CSR philosophy has its roots in the 1960s when activist groups advocated more corporate responsibility. It gained visibility in the 1970s as the result of legislation allowing public policy to recognize the environment, the communities and consumers officially as stakeholders (Carroll, 1991). As a consequence of the social movements of the 1960s and 1970s, including environmentalism and other issues, the predominant business mindset towards society has changed, motivating corporations to align their actions with the external environment (Freeman, 1984). Environmentalism started in the nineteenth century as an intellectual doctrine of the higher social classes, not based on an ethic perspective of protecting the earth as a whole, but to allow landowners to protect their own lands. It reappeared in a changed way in the later 1960s and early 1970s when youths started defending less consumerism in opposition to a corporate culture only oriented to profit (Silverstein, 1993). So, environmentalism gained status and Earth Day was celebrated for the first time in 1970, an important year for the development of environmental legislation as well (Ibidem). As markets became more global and open, environmentalism awareness increased and came to stay in a global way. In particular, the Kyoto protocol on global warming confirms how environmental issues are currently affecting life (Freeman et al., 2007).

Freeman and Moutchnik (2013) suggest that if the business is oriented through a “creating value for all stakeholders” perspective, the CSR concept would not be necessary. Freeman, well known for his work on stakeholder theory, finds that CSR moves too much away from the economic aspect of the company. Consequently, instead of separating the “social issues” from business it is necessary to comprehend the links between economic and social strengths (Freeman, 1984). In this sense, Carroll (1991) proposes a pyramid, including the four basic characteristics of CSR, recognizing the importance of the economic responsibility aspect, positioned on the bottom, followed by the legal, ethical and philanthropic responsibilities (Figure 2).

Figure 2. The Pyramid of Corporate Social Responsibility

![Figure 2. The Pyramid of Corporate Social Responsibility](source: Adapted from Carroll (1991: 42))
As indicated by this author, CSR should attempt to make a profit, obey the law, be ethical, and be a good corporate citizen (Carroll, 1991). In this sense, CSR is in accordance to the classical thought of Milton Friedman according to which management intends “to make as much money as possible while conforming to the basic rules of society, both those embodied in the law and those embodied in ethical custom” (Friedman, 2007: 173–174). In fact, this quote includes almost all CSR aspects – economic, legal and ethical – although it excludes the philanthropic aspect, which fulfills CSR (Carroll, 1991).

Nevertheless, Kotler and Lee (2005b) explain that today corporations are called to engage in more strategic formats, being CSR much more than philanthropy, the most traditional form of this concept, which consists in direct donations to a charity or a cause. These authors point out that CSR has evolved to a more strategic perspective, aligning with the companies’ search for competitive advantage. Thus, today CSR is considered a management process that allows managing key stakeholders, supporting their interests while accomplishing company strategy (Cantrell et al., 2015). For instance, Keith Weed, the chief marketing and communications officer at Unilever, goes further and states that Unilever abolished the CSR department because they need to move beyond traditional CSR initiatives to more dynamic approaches that, in fact, create a more sustainable world while improving company performance (World Economic Forum, 2012) (see how Unilever says it is committed on improving people’s well-being and the environment through a corporate social marketing approach on point 3.1). In this sense, Unilever brands are committed to the 17 United Nations Global Goals for Sustainable Development, and mention specific goals that are already being worked towards, including Goal 13 for climate action, Goal 3 for good health and well-being, Goal 6 for clean water and sanitation, Goal 2 for zero hunger and Goal 15 for life on land (Unilever, 2015).

Following this dynamic perspective, from the six major types of CSR initiatives mentioned by Kotler and Lee (2005b) – cause promotions; cause-related marketing; corporate philanthropy; community volunteering; socially responsible business practices; and social marketing – we highlight the importance of social marketing implemented by corporations – corporate social marketing (CSM). Actually, CSM initiatives have been providing effective solutions on complex social issues due to their focus on programs able to influence behavior changes towards improving the environment and/or society’s well-being, allowing companies to answer to stakeholders’ requests while improving corporate performance (Bezirgan, Beall, Wayman and Briggs, 2012). Since CSM applies the SM concepts and principles to companies, the next section is dedicated to these concepts and principles.

2.3. From social marketing to corporate social marketing

2.3.1. Origin and concept of social marketing

As social problems became more complex in developed and developing countries, social campaigns were designed with the aim of providing solutions in light of the socioeconomic and cultural context in which these problems were felt. Examples include the recognition of segments of society especially vulnerable to some diseases, engaging in risky behaviors (such as consuming drugs) or with unfair social systems (child labor, for instance) (Novartis foundation for sustainable development, 2003). Within these frameworks, social campaigns have been developed and implemented, enhancing society’s awareness towards these problems and identifying their major roots. Most of these campaigns relied on large-scale information – which can be enough in creating public consciousness and even in changing attitudes – but that rarely turned out to be effective in changing behaviors, most of them shaped by old habits, beliefs and values (McKenzie-Mohr, Lee, Schultz and Kotler, 2012).

The failure of most of these initiatives and the success of marketing in the commercial sector were the underlying forces for the witnessing of social marketing during the 1970s.
This concept was first defined by Kotler and Zaltman as “the design, implementation and control of programs calculated to influence the acceptability of a social idea and involving considerations about product planning, pricing, communication, distribution and marketing research” (Kotler and Zaltman, 1971: 5).

Kotler and Zaltman (1971) proposed that social marketing, as generic marketing, should not be perceived as a theory in itself but rather as a framework that combines insights from many bodies of knowledge (such as psychology, sociology, anthropology and communication) with the aim of changing people’s behavior. The idea of extending the domain of marketing to the resolution of social problems was initially questioned in the studies of Laczniak, Lusch and Murphy (1979), Laczniak and Michie (1979) and Luck (1974), but some successful experiences in the early applications of social marketing, especially in family planning campaigns or in disease prevention programs, provided the needed incentive to the development of this marketing framework. From the 1980s to the present, academics have been no longer concerned whether the traditional marketing principles and tools can be applied to solve generic social issues but, instead, how to use them to encourage socially desirable behaviors in issues such as health (e.g. tobacco use prevention, breast cancer prevention, HIV/AIDS prevention, eating disorders), injury prevention (e.g. traffic safety, bullying, safe gun storage), environment (e.g. energy and water conservation, air pollution reduction from automobiles and other sources, increased recycling, decreasing littering, wildlife habitat protection, prevention of forest destruction), community involvement (e.g. voting, animal adoption, literacy) and financial well-being (e.g. preventing bankruptcy and fraud) (Kotler and Lee, 2005a, 2015b).

Since the concept of social marketing advanced by Kotler and Zaltman (1971), many other definitions have been proposed (Lefebvre and Flora, 1988; Andreasen, 1995; Smith, 2000; Dann, 2010; Kotler and Lee, 2015a). As an example, Andreasen defines social marketing as “the application of commercial marketing technologies to the analysis, planning, execution, and evaluation of programs designed to influence the voluntary behavior of target audiences in order to improve their personal welfare and that of society” (Andreasen, 1995: 7). Regardless of the specificities of the suggested definitions, the focus of social marketing rests on changing behaviors in order to improve the well-being of the whole society. As explained by Bloom, Hussein and Skykman, as long as this is the most important objective, a program fits the definition of social marketing, “even if increasing sales or improving the corporate image is a secondary goal” (Bloom, Hussein and Szykman, 1995: 10).

2.3.2. Comparing social marketing with commercial marketing

Although social marketing has much in common with the traditional marketing of products (goods and services), usually referred to as “commercial marketing”, their final aim is a fundamental difference between them. While commercial marketing mainly looks for the maximization of the company’s profit, the bottom line of social marketing is the change of behavior that could enhance society’s welfare (Kotler and Lee, 2015a). However, both marketing approaches aim to influence human behavior. In the case of commercial marketing, this implies conducing consumers to buy the good or service offered by the company, whereas in the social context it involves the engagement in a socially desirable activity. Secondly, neither social marketing nor commercial marketing is interested in a one-time behavior but rather in retaining consumers over time. This means the adoption of some lifelong socially beneficial behavior, in the case of social marketing, and repeated sales, in the case of commercial marketing. Thirdly, both marketing frameworks accept that human behavior is voluntary and affected by rewards, which implies that any attempt to change behavior must be persuasive, instead of coercive, and offer a valuable return for the consumer. Thirdly, either in the social or in the commercial marketing setting, the
importance of the social environment that involves each human being, as a determinant of his/her behavior is recognized. Still, as MacFadyen, Stead and Hastings (1999) explain, in social marketing “the products [the behavior change] tend to be more complex, demand is more varied, target consumers are more challenging to reach, consumer involvement is more intense and the competition is more subtle and varied” (MacFadyen et al., 1999: 4). Finally, as in commercial marketing, social marketing also has a marketing mix. The product in a social marketing context, is the new behavior that the audience should adopt. Price, in turn, represents what target audience must give up to receive the social marketing program’s benefits and, unlike in commercial marketing, price goes beyond monetary costs. Promotion includes all forms used to persuade the target audience to adopt the new behavior and place refers to the distribution channels or created systems through which the “products” are available for consumers.

2.3.3 Social marketing and pro-ecological behaviors

Due to the internationally recognized increase in environmental problems, and the global increase in environmental awareness, social marketing for the environment is slowly moving towards “the maturity stage” (Takahashi, 2009: 143). This means that the research on the application of social marketing in fostering pro-environmental behaviors such as climate change, recycling and water conservation is rising as public environmental issues are having an increased stake (e.g. Valle, 2004; Kotler and Lee, 2015; Lowe et al., 2015). Takahashi (2009) investigated 62 scientific articles concerning the application of social marketing on environmental issues and points out recycling as the most studied issue (18%), followed by energy conservation (8%). Gynther, Mikkonen and Smits (2012) suggest that changes in consumer behavior can bring energy savings of about 20%.

McKenzie-Mohr et al. (2012) clearly offer a comprehensive approach on the application of social marketing principles in encouraging environmentally responsible behaviors. These authors present the blend of social marketing with community-based social marketing (CBSM) as a more effective strategy to foster general sustainable behaviors. The CBSM process encompasses four stages: “(1) Identifying barriers to a sustainable behavior; (2) Designing a strategy that utilizes behavior change tools; (3) Piloting the strategy with a small segment of a community; and (4) Evaluating the strategy once it has been implemented across the community” (McKenzie-Mohr, 1999: 1). The website of CBSM (www.cbsm.com) (CBSM, 2006–2010) enables visitors to consult abstracts of studies on a wide variety of sustainable behaviors: composting, energy efficiency, hazardous waste, pollution prevention, reuse, recycling, source reduction, transportation, and water saving.

2.3.4 Social marketing and corporate social marketing

Nowadays, consumers are naturally more receptive to implementing behaviors in their lives that lead to the improvement of the environment, either because of environmental concerns or due to the need to adopt a more frugal lifestyle as a result of the recent financial crisis (Kotler, 2011). In this perspective, CSM programs reveal an opportunity, due to their focus on behavior change, for corporations as they have an augmented responsibility facing the new environmental challenges and society’s quality of life, while, at the same time, consumers are buying more from companies that care and are more aware of these societal concerns (Kotler, 2011).

According to the renowned International Advertising, Marketing and Public Relations Agency (Bezirgan, 2012: 17), “the utility of corporate social marketing is far-reaching and can be used to engage with a wide variety of audiences and stakeholders from consumers to employees – to tackle many business challenges in socially beneficial ways.”
In this sense, social marketing is distinguished from other CSR projects because it involves enterprise, customers, stakeholders and society at large, inviting all parties, over time, to benefit from a positive and socially desired behavior change (Kotler and Lee, 2005a, 2005b; Du, Sen and Bhattacharya, 2008).

CSM programs can be enhanced by corporate partnerships with ONGs or public agencies that have know-how regarding social issues, since the corporation can get specialized support but also the opportunity to better reach out to the community and increase program credibility (Kotler and Lee, 2005b). Moreover, the corporation gives essential support to the program as well, through their marketing skills, access to distribution channels, money, employee volunteers, and in-kind contributions, providing a synergy that allows, more than other CSR initiatives, to impact large populations (Kotler and Lee, 2005b). However, the corporation must be ready for a long-term program, for the purpose of implementing the behavior change. Besides, CSM programs should preferably be aligned with the company’s products or services since the company expertise on the issue benefits the program and gives more credibility both to the program and the company. Nevertheless, the most important thing to avoid is a contradictory linkage, like a fast food chain promoting healthy eating habits (Bloom et al., 1995).

Following what has been referred, the use of the SM process in the corporate context supports the accomplishment of CSR, benefiting society and the environment, but also the company performance, through behavioral change programs whose results can be measured. For this reason, several companies and marketing and communication agencies are using the CSM process to develop and/or implement programs on environmental issues as part of the strategy to fulfill corporate responsibility towards the environment or sustainability. As example, two programs that use the SM approach in the corporate context are briefly described below. They belong to companies from different business areas: the Unilever business in fast-moving consumer goods (FMCG) (food, toiletries, home, etc.); and the Brazilian power companies’ business (regarding electricity). Both programs have environmental and general well-being implications and are having considerable success in accomplishing their goals.

3. CORPORATE SOCIAL MARKETING EXAMPLES

3.1. Unilever’s five levers for change
Unilever is a global corporation “whose products are used over two billion times a day in over half the households on the planet” (Unilever, n.d.b:4). For that reason Unilever is committed to sustainable living, believing that in order to have a sustainable future not only governments and industries have to change, but citizens have to be committed too (Unilever, n.d.a). Therefore, Unilever uses marketing, and market research in particular, to encourage behavioral changes, and owns its own model of behavior change, the Unilever’s Five Levers for Change, which is used by the company to accomplish the goals of the so-called Unilever Sustainable Living Plan. This plan enables the company business to advance while benefiting society. With the Five Levers for Change approach, Unilever wants to change the lives of millions of people, improving the quality of life in various aspects, including environmental issues. The first step of the model consists in identifying consumers’ “Barriers”, i.e. “the things that stop people from adopting a new behavior”; “Triggers”, i.e. tips to “get people to start a new behavior” and “Motivators”, i.e. “the ways to help them stick with the new behavior”. Then, Unilever uses all the information picked and applies each of the five levers to encourage behavior change (Unilever, n.d.a):

1. Make it understood: “Do people know about the behavior?”; Do they believe it is relevant to them?”;
2. **Make it Easy:** “Do people know what to do and feel confident doing it?”; “Can they see it fitting into their lives?”;

3. **Make it Desirable:** “Does the new behavior fit with their actual or aspirational self-image?”; “Does it fit with how they relate to others or want to?”;

4. **Make it Rewarding:** “Do people know when they are doing the behavior ’right’?”; “Do they get some sort of reward for doing it?”;

5. **Make it a Habit:** “Once people made a change, what can we do to help them keep doing it?”

![Figure 3. Unilever’s Five Levers For Change](image)

According to Unilever (n.d.b), the Unilever Sustainable Living Plan reached 224 million people by the end of 2012 (two years in a ten-year plan) with safe drinking water, reduced greenhouse gases by 6% across the value chain and training of around 450,000 smallholder farmers in the process of sustainable agriculture.

### 3.2. PROCEL in the schools

In Brazil, all electric trading and power producing companies must implement energy efficiency (EE) projects, from diverse categories, in the communities in which they operate, as a requisite from the regulator entity of the sector. Particularly, energy efficiency behavior change programs are considered a way of improving stakeholder relations, because they are diminishing electricity consumption, which leads to environmental protection. This issue is a stake for groups such as communities, consumers, environmentalists, governments and even stockholders, since they can manage the energy stock in a profitable way (Saraiva, 2012).

A recent study (Saraiva, 2012) identified that all power companies implementing the EE programs, focusing on behavioral change for the child and youth public, were applying the methodology PROCEL in the schools, which means that these energy efficiency programs were conducted through a partnership with the government. PROCEL in schools is an approach recommended by the entity that regulates the power sector in Brazil, when companies choose to implement behavioral change programs for the child and youth target.
The fact that power companies choose to use the PROCEL methodology means recognition of the importance of partnership with the government. The PROCEL methodology comprises books for teachers and students of different levels, educational instruments, an educational game, video films, and a briefcase and annotation papers for monitoring and evaluation purposes (PROCEL in schools, n.d.). It is a program with measured results calculated by the power companies in partnership with schools and PROCEL.

The consumption avoided for the interval time 1995–2006 obtained the value of 2,700,000 MWh, equivalent to the average annual consumption of 1,100 Brazilian households, having reached 18 million students, which reflects the effectiveness and success of the program as time goes by. “The multiplication of necessary changes, new concepts and postures, is facilitated through institutional partnerships” (PROCEL in schools, 2011: 12) between government, private groups for distribution of electricity, and schools. The program is monitored at national level, while each power company, along with the community schools, monitors and measures their results from the program effort, consisting of techniques for assessing the program results (PROCEL in schools, 2011).

4. CONCLUSION

Social marketing as a process that uses the mainstream marketing to change behaviors in order to benefit society and/or the environment, when applied in the corporate context, enables the company to manage and to build relationships with stakeholders. In fact, to establish a “dialogue” with stakeholders is the “condition sine qua non” for contemporary companies to operate. Social marketing gives answers to the stakeholders’ requests, including on environmental issues such as climate change, recycling, water conservation, pollution, etc. In conformity, as an interactive process, it enables the corporation to engage clients in the practice of positive behavior changes and, therefore, it meets part of the current dynamic purposes of CSR.

This study presented two examples of CSM programs focused on environmental issues as this article addresses the SM-focusing environmental issues. However, these programs can be applied to other relevant topics such as public health, public safety, education, community issues, etc. Nevertheless, the type of behavior change program followed by the company should preferably be aligned with the corporate business and with their mapped stakeholders’ needs, while preserving corporate veracity on benefiting social interests. Moreover, corporate partnerships with NGOs or public agency specialists in social issues can improve CSM programs, ensuring tangible results for society, but also gains for the company, resulting in a win-win perspective.

REFERENCES


