

CORPORATE SOCIAL INITIATIVES, ANOTHER FACE FOR COMPANIES

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Abstract:

For many years, community development goals were philanthropic activities that were seen as separate from business objectives, not fundamental to them; doing well and doing good were seen as separate pursuits.

Causes most often supported through these initiatives are those that contribute to community health (i.e., AIDS prevention, early detection for breast cancer, timely immunizations), safety (designated driver programs, crime prevention, use of car safety restraints), education (literacy, computers for schools, special needs education), and employment (job training, hiring practices, plant locations); the environment (recycling, elimination of the use of harmful chemicals, reduced packaging); community and economic development (low-interest housing loans); and other basic human needs and desires (hunger, homelessness, animal rights, voting privileges, antidiscrimination efforts).

Support from corporations may take many forms, including cash contributions, grants, paid advertising, publicity, promotional sponsorships, technical expertise, in-kind contributions (i.e., donations of products such as computer equipment or services such as printing), employee volunteers, and access to distribution channels. Cash contributions may come directly through a corporation or indirectly through a foundation it has established to focus on corporate giving on behalf of the corporation

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Introduction:

Corporate social initiatives is a major activities undertaken by a corporation to support social causes and to fulfill commitments to corporate social responsibility.

It has been identified six major initiatives under which most social responsibility.

The six social initiatives explored are as follows:

1. Cause Promotions: A corporation provides funds, in-kind contributions, or other corporate resources to increase awareness and concern about a social cause or to support fundraising, participation, or volunteer recruitment for a cause. The corporation may

initiate and manage the promotion on its own (i.e., The Body Shop promoting a ban on the use of animals to test cosmetics); it may be a major partner in an effort (Avee sponsoring the Arthritis Foundation's fundraising walk); or it may be one of several sponsors.

2. Cause-Related Marketing: A corporation commits to making a contribution or donating a percentage of revenues to a specific cause based on product sales. Most commonly this offer is for an announced period of time, for a specific product, and for a specified charity. In this scenario, a corporation is most often partnered with a nonprofit organization, creating a mutually beneficial relationship designed to increase sales of a particular product and to generate financial support for the charity (for example, Comcast donates \$4.95 of installation fees for its high-speed Internet service to Ronald McDonald House Charities through the end of a given month). Many think of this as a win-win-win, as it provides consumers an opportunity to contribute for free to their favorite charities as well.

3. Corporate Social Marketing: A corporation supports the development and/or implementation of a behavior change campaign intended to improve public health, safety, the environment, or community well-being. The distinguishing feature is the behavior change focus, which differentiates it from cause promotions that focus on supporting awareness, fundraising, and volunteer recruitment for a cause. A corporation may develop and implement a behavior change campaign on its own (i.e., Philip Morris encouraging parents to talk with their kids about tobacco use), but more often it involves partners in public sector agencies (Home Depot and a utility promoting water conservation tips) and/or nonprofit organizations (Pampers and the SIDS Foundation encouraging caretakers to put infants on their backs to sleep).

4. Corporate Philanthropy: A corporation makes a direct contribution to a charity or cause, most often in the form of cash grants, donations, and/or in-kind services. This initiative is perhaps the most traditional of all corporate social initiatives and for many decades was approached in a responsive, even ad hoc manner. More corporations are now experiencing pressures, both internally and externally, to move to a more strategic approach, choosing a focus and tying philanthropic activities to the company's business goals and objectives.

5. Community Volunteering: A corporation supports and encourages employees, retail partners, and/or franchise members to volunteer their time to support local community organizations and causes. This activity may be a stand-alone effort (i.e., employees of a high tech company tutoring youth in middle schools on computer skills) or it may be done in partnership with a nonprofit organization (Shell employees working with The Ocean Conservancy on a beach cleanup). Volunteer activities may be organized by the corporation, or employees may choose their own activities and receive support from the company through such means as paid time off and volunteer database matching programs.

6. Socially Responsible Business Practices: A corporation adopts and conducts discretionary business practices and investments that support social causes to improve community well-being and protect the environment. Initiatives may be conceived of and implemented by the organization (i.e., Kraft deciding to eliminate all in-school marketing) or they may be in partnership with others (Starbucks working with Conservation International to support farmers to minimize impact on their local environments).

Here is an example with the McDonald's company:

Social Marketing: Immunize for Healthy Lives

Vaccine-preventable diseases like measles, chicken pox, polio, and hepatitis B are still a threat to children, according to the American Academy of Pediatrics (AAP), so it's important to immunize children on time. To help children and families, Ronald McDonald House Charities has teamed up with the AAP and health care providers around the United States on "Immunize for Healthy Lives," an immunization education program in existence since 1994.

August is the back-to-school vaccination time period, when most parents take their schoolaged children to be immunized before returning to the classroom. But health professionals also recommend that vaccinations begin at infancy to protect against meningitis and pneumonia. By age two, children can be protected from more than 11 preventable diseases.

Ronald McDonald House Charities is committed to the health and well being of children and families. By working with health care providers around the country, the "Immunize for Healthy Lives" program educates parents on the importance of timely immunizations so they can help their children stay healthy.

Local communities around the United States have taken on special activities to promote the "Immunize for Healthy Lives" campaign:

- In North Carolina, immunization schedules are distributed through nearly 300 McDonald's restaurants throughout the state, with the campaign reaching up to 13 million customers in a month.
- In Harrisburg, Pennsylvania, Health Department nurses visit participating McDonald's restaurants to review children's immunization records. Nurses also give free McDonald's coupons for ice cream to parents asking, "Do my kids need shots?"

Corporate Philanthropy: Ronald McDonald House Charities

The relationship between McDonald's Corporation and Ronald McDonald House Charities and its programs dates back to the inception of the charitable organization. Today, one can find support and participation from McDonald's Corporation, its franchisees, crew members, suppliers, and business partners at every level of the charity's activity—United States, international, corporate, regional, and local. Members of the McDonald's family serve as volunteers on the boards and committees of the local chapters, working alongside other members of their community. Together they tackle the challenges of operating a public charity—raising necessary funds and awareness and delivering program services to children and their families.

Ronald McDonald House Charities creates, finds, and supports programs that directly improve the health and well-being of children worldwide. It is a nonprofit

organization with more than 181 local chapters currently operating in 48 countries. Each local Ronald McDonald House Charities chapter is a separate public charity, operated by a local board of directors.

The cornerstone of Ronald McDonald House Charities is the Ronald McDonald House program, which provides a home away from home for families of seriously ill children undergoing treatment at hospitals far from their own homes. The first Ronald McDonald tablished in Philadelphia in 1974. Today, there are more than 235 Ronald McDonald Houses in more than 25 countries.

In addition to its cornerstone program, Ronald McDonald House Charities supports a variety of other programs, which include Ronald McDonald Family Rooms, Ronald McDonald Care Mobiles, and scholarships. The charity also awards grants to other organizations that directly improve the health and well-being of children. To date, Ronald McDonald House Charities' national body and global network of local chapters have awarded more than \$400 million in grants to children's programs worldwide.

Community Volunteering: Disaster Relief

McDonald's, working through owner/operators, employees, and suppliers, has a longtime record of helping communities hit by tornadoes, hurricanes, floods, earthquakes, riots, or other disasters. McDonald's has partnered with American Red Cross and its International Red Cross network to provide food and other support to disaster victims, meals for the professionals and volunteers on the scene to aid them, and a haven of safety for others in the community.

On 9/11 and in the weeks that followed, McDonald's provided more than 750,000 free meals around the clock at McDonald's mobile restaurants set up near the disaster sites in New York City, at the Pentagon, and in Pennsylvania. At each location, 45-foot-long portable units served McDonald's Quarter Pounders, Chicken McNuggets, bottled water, and soft drinks to feed recovery workforces.

Socially Responsible Business Practices: Recycling

Several activities represent a commitment to progress in reducing packaging volume and adding recycled content:

- In the early 1990s, in most parts of the world, McDonald's changed its carryout bags from bleached, 100 percent virgin paper fiber to unbleached, recycled content. During that same period, McDonald's purchased more than \$4 billion worth of products made from recycled materials for use in the construction and operation of restaurants worldwide. McDonald's USA recently switched to a 40 percent recycled-content white bag, while making other packaging changes to offset the increased environmental impact.

- In 2010, McDonald's purchased more than \$460 million in recycled packaging materials and reduced its packaging materials by an additional 35 million pounds.

Although a process is in place to work with suppliers to find ways to streamline packaging and minimize use of resources, broad-based solutions are challenged by differences around the world in safe food requirements, local supplier availability, cultural differences, waste management practices, and infrastructure.

To support McDonald's goal of sustainability, a Global Environmental Council (GEC) was formed in 2002 to identify global priorities, initiatives, and projects. It reports to the Social Responsibility Steering Committee established by the board of directors.

In the following example, the corporation benefits from a creative and natural donation of abundant resources—its store space—and the appeal of abandoned and homeless pets.

Example: PETsMART and Pet Adoption

PETsMART Charities creates and supports programs that save the lives of homeless pets. They have a vision of "a lifelong, loving home for EVERY pet." Several initiatives support this goal, including in-store adoption centers, in-store campaigns to encourage customer donations, and online fundraising.

With more than four million homeless pets euthanized every year, PETsMART, Inc. made the conscious decision not to sell cats and dogs. Instead, the company created their in-store PETs-MART Charities Adoption Centers, donating space to local animal welfare organizations so they can make homeless pets more visible and accessible to potential families. PETsMART, Inc. donates more than \$5 million annually in space and supplies for the adoption centers, and the charity works with more than 2,700 animal welfare organizations across North America. These organizations keep 100 percent of their adoption fees and there is no cost to them to use the in-store Centers.

The store and the PETsMART Charities also work together to implement a biannual "Just A Buck, Change Their Luck" fundraising campaign to help homeless pets. This event is held for three weeks in the spring and again in the fall. Customers are asked if they'd like to donate "just a buck" (or more) when they make a purchase. Customers who donate \$10 or more receive a commemorative T-shirt. Those who donate \$15 or more receive a limited edition tote bag. All of the more than 650 stores nationwide and in Canada participate in the campaign. Donations can also be made online, where the Tshirts and tote bags are also offered for donations of \$15 and \$20 respectively.

Between 1994 and 2010, this program has saved the lives of more than 2.5 million homeless pets through the in-store adoption areas alone, and continues to save lives today. Consider as well the benefit to PETsMART in terms of the thousands, if not millions, of customers exposed to the effort, and, for those adopting a pet, their likelihood of returning to a PETsMART store for food, needed supplies, and grooming services.

Most corporate social initiatives under the corporate social responsibility umbrella fall within one of the following distinct categories: cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practices.

Though there are commonalities among these initiatives (i.e., similar causes they are supporting, partnerships that are formed, and communication channels that are used), each has a characteristic that makes it distinct. Cause promotions are distinguished by the fact that they are supporting a cause by increasing community awareness and contributions to the cause. Cause-related marketing is unique in that donations to a cause are tied to the corporation's product sales volume. Corporate social marketing is always focused on a goal of influencing a behavior change. Community volunteering involves employee and related franchise and retail partners' donation of their time in support of a local cause. Corporate philanthropy entails writing a check or making a direct, in-kind contribution of corporate services and resources. And corporate socially responsible business practices, as implied, relate to the adoption of discretionary business practices

and investments that then contribute to improved environmental and community well-being.

Why is it important to develop these distinctions? As with most disciplines, awareness and familiarity with tools in the toolbox increases the chances they will be considered and then used. Traditional corporate giving and citizenship focused primarily on one of these initiatives, philanthropy. As we have seen in the examples presented in this chapter, a more strategic and disciplined approach involves selecting an issue for focus and then considering each of the six potential options for contributing to the cause.

It is more common for a corporation to have several themes, and for themes to be reflected by only a few initiatives. Examples presented for McDonald's covered several themes: children's health, children and families with special needs, disaster relief, and environmental stewardship.

Finally, it is useful to note other terms that are used to label these initiatives, to underscore the distinctions. Cause promotions may be most similar to programs sometimes described as cause marketing, cause sponsorships, cause advertising, co-branding, or corporate sponsorships. Cause-related marketing is included by some when describing cause marketing or co-branding programs. Corporate social marketing may be considered a subset of cause marketing. Corporate philanthropy may be expressed as corporate giving, community giving, community development, community involvement, corporate social investing, or community outreach. Community volunteering is often covered when referring to community service, community development, community relations, community involvement, community outreach, community partnerships, and corporate citizenship programs. And the term socially responsible business practices is for some synonymous with corporate social responsibility, corporate citizenship, and corporate commitment.

As noted earlier, the delineation of these distinct subcategories may help increase consideration of these initiatives and may make understanding and application of the keys to success for a particular initiative more likely.

DEVELOPING A CAUSE PROMOTION CAMPAIGN PLAN

Perhaps the most important decision to be made once a social issue has been identified and a cause promotion initiative has been selected is to confirm whether the campaign will include partners and, if so, to identify them. Campaign plans should then be developed together, up-front, as they will include critical decisions on target audiences, key messages, campaign elements, and key media channels.

One of the most effective ways to make these decisions is to develop a document that will provide direction for developing messages, designing campaign elements, and selecting media channels. A useful tool is a creative brief, typically one to two pages in length. It will help ensure that all team members, including external partners, are in agreement on target audiences, communication objectives, and key assumptions, prior to the more costly development and production of communication materials. Typically, a creative brief to support the development of a promotional campaign includes the following six sections:

1. Target audience. This section includes a brief description of the target audience, including estimated size, demographics, geographics, psychographics, and behavior variables.

2. Communication objectives. This is a statement of what we want our target audience to know (facts, information), believe (feel), and perhaps do (e.g., donate or volunteer for a cause), based on exposure to our communications.

3. What benefits to promise. This is the identification of key factors that will motivate target audiences to participate in volunteer efforts or to make donations—in other words, benefits they will experience by taking these steps.

4. Openings. Michael Siegel and Lynne Doner describe openings as "the times, places, and situations when the audience will be most attentive to, and able to act on, the message." This information will be key for determining media channels.

5. Positioning and requirements. This section describes the overall desired tone for the campaign (e.g., serious versus lighthearted), as well as requirements such as the use of corporate logos.

6. Campaign goals. This is an important section to consider in selecting media channels, as it outlines quantifiable goals for the campaign. These may include process goals (e.g., desired reach and frequency goals) or actual outcome goals (e.g., number of people to sign up for the race).

This document will then lead to development of campaign elements including slogans, headlines, and copy; graphic images; materials; selection of media channels; evaluation plans; budgets; and implementation plans, including responsibilities and target dates for campaign activities.

A corporate social initiative is categorized as a cause promotion when the core element of the effort is promotional in nature. Primary strategies utilized are persuasive communications. Communication objectives focus on building awareness and concern; persuading people to find out more; persuading people to donate their time, money, or nonmonetary resources to a cause; and/or persuading people to participate in events to benefit a cause. Most commonly, corporations partner with nonprofit organizations and special interest groups, although a few initiate and implement campaigns on their own. In many cases, the corporation is given visibility on promotional materials and in the media in exchange for its support.

Most corporate benefits are marketing related, with advocates asserting that a cause promotion can strengthen brand positioning, create brand preference, increase traffic, and build customer loyalty. Many corporations experience additional benefits, noting increased employee satisfaction and the development of new and strong partners in the community.

Several potential downsides for the corporation are inherent in these promotional campaigns: Visibility for the corporation can get lost; most promotional materials are not sustainable; tracking investments and return on promotional investments is difficult; this endeavor, because of its visibility, may generate too many additional requests for support from other organizations connected to the cause; this approach requires more time and involvement than writing a check; and promotions are often easy to replicate, potentially removing any desired competitive advantages.

Keys to success include recommendations to carefully select an issue (up-front) that can be tied to your products and your company values. It should be a cause that

management can commit to long-term, that is a concern for your customers and target markets, motivates your employees, and has the most chance for media exposure. When developing cause promotion plans, take care to connect the campaign to your products, develop partnerships, incorporate and ensure visibility for your brand, and figure out a way to measure and track results.



This initiative should be given serious consideration when a company has easy access to a large potential target audience; when the cause can be connected and sustained by the company's products; when opportunities exist to contribute to the campaign using in-kind services; when employees can get excited about the effort; when it's desirable to limit the company's involvement and commitment to just raising awareness and concern about an issue; and when there is a co-branding opportunity, versus being one of many sponsors.

Steps in developing a plan begin with decisions regarding partnerships. Then, working together, planning teams identify target audiences and develop key messages, campaign elements, media channels, evaluation plans, budgets, and implementation plans.

Corporate Social Responsibility (CSR) continues to be a relatively new for companies in Romania.

The establishment of Corporate Social Responsibility Department in the Ministry of Labour, Family and Equal Opportunities, European directive answers to corporate social responsibility.

Corporate Social Responsibility also encourages the voluntary inclusion of social and environmental concerns in the strategy and policies of a company.

CSR has a direct impact on enterprises of great, but can be a strategic tool to increase SME competitiveness.

Raiffeisen Bank has a program, without any connection with their banking activities, namely "Raiffeisen Communities Grants Program." It is a funding program for local projects small and medium (from 3,000 up to 22,000 RON) *Raiffeisen Bank* in the communities where it operates. Organizations may apply for funding *neguvermentale* for eligible projects. After projects are evaluated and considered eligible will be subject to public vote on the site. Top rated projects will be financed by *Raiffeisen Bank*, within the available budget.

Another example is the case in Romania company *GlaxoSmithKline* (GSK) - one of the largest pharmaceutical companies in the world - is the constant partner of local communities who need help. Moreover, everywhere in the world, including Romania, GSK encourages employees to get involved in causes they support and commitment of local communities through various internal programs dedicated to volunteering.

Amid the common interests of GlaxoSmithKline and its employees volunteer began in 2009, Orange Day program - GSK's annual event dedicated to volunteering, implemented both globally and in Romania. On this occasion, GSK employees group, both of the Pharma and of Consumer Healthcare is voluntarily involved in supporting local communities they belong and they need help. Orange Day is a day the company paid for volunteering, but has no meaning without the individual contribution of each of the employees.

This year - the third edition of the Orange Day in Romania - in the period June 27 to July 8, GSK volunteers spent a day with children from disadvantaged backgrounds in Bucharest and the country, in kindergartens and educational centers of Save the Children Romania. Also, GSK employees have refurbished playground at the Institute for Mother and Child, Bucharest, and two social service centers in Cluj-Napoca, Romania with United Way.

Partnership with two NGOs - Save the Children Romania and United Way Romania - Romania has strong roots in GSK. An important direction of the company - both in world and in Romania - the mother and child health and, in line with this concern, one of the key projects is "Every Child Matters", a comprehensive program to reduce mortality among children under 5 years conducted in 2010, Save the Children Romania in partnership with GSK Romania and supported by the Ministry of Health. Meanwhile, GSK employees constantly contribute to fundraising campaigns for United Way of Romania, where thousands of Romans - children, elderly, homeless or disabled - are helping to lead a better life.

The preparation of the project by identifying the needs of local communities, began a few weeks before the start of actions and conducted by GSK employees across the country and along with partners Save the Children Romania and United Way Romania.

GSK employees in the country were involved in finding the most appropriate cases, in the direction of health and education of children, folded on the assumed objective - is to put smiles on the faces of children.

Target *audience*:

External:

- Children from poor families who do not attend kindergarten
- Children and their parents in hospitals

Internal:

- Employees GSK Romania

Channels of communication used:

Internal:

- Intranet (connectGSK)
- E-mail to employees
- Posters at GSK headquarters

External:

- Press Releases

Implementation:

The activities of the Orange Day 2011 took place in Bucharest and in 17 localities in the country - in Bacau, Braila, Buzau, Brasov, Cluj-Napoca, Craiova, Constanta, Galati, Iasi, Piatra Neamt, Pitesti, Slatina, Ploiesti, Sibiu, Suceava, Targu-Mures and Timisoara - and were coordinated by local team leaders, volunteers from among employees of GSK.

In total, GSK employees were involved in volunteering in 23 educational centers in the country.

GSK volunteers have conducted educational activities in kindergartens summer of Save the Children, the purpose of these centers is to prepare children starting school for the disadvantaged. The beneficiaries of this project were the children of poor families, who had no chance to go to kindergarten and will start school this fall.

In these centers, little has been supported to acquire basic skills and knowledge to help them overcome the gap between them and the children were in kindergarten before going to school. Through GSK prepared by volunteers with Save the Children educators, kids have been helped to understand the importance of hygiene, read, learned colors and parts of the body. Also, GSK employees have visited with the children, the goals of the city, went together to the movies, library, theater or the zoo, places some of the children they had seen before.

Volunteer activities were performed in centers of "after-school" of Save the Children Romania, aimed at preventing school dropout, beneficiaries are all children from poor families. GSK employees helped the small school and do their homework to better prepare for school and they played together.

Another activity, part of this year's Orange Day, held in the capital, where more than 80 employees participated in rehabilitation GSK the playground of the Institute for Mother and Child here being admitted daily, a total of about 200 children. Along with United Way organizations and Innocent Foundation, volunteers have cleaned and sanitized GSK park, dug weeds and planted a hedge, banks have repaired and painted, and the fence surrounding the park swings. Also, garbage cans were installed and new furniture and, in turn, were removed tree trunks and concrete driveway, and many other materials that were dangerous for children. And to prevent accidents at play, the land around the park equipment was covered with a rubber mat especially for children to play safely.

In Cluj, all with United Way Romania, GSK employees were involved for 2 days, charity, renovating a day center in charge of recovery and education of 23 children with neuro-motor disabilities and autism and talking with parents about child care in single parent families.

Results

At Orange Day, over 200 employees GSK Romania were involved in volunteering were able to put smiles on the faces of nearly 400 children from 23 kindergartens and educational centers in the country. Also, the approximately 200 children admitted daily at the Institute for Mother and Child, Bucharest (IOMC) can now spend time in a safe and friendly playground in the hospital courtyard.

In the 2010 edition of the Orange Day, GSK employees have refurbished 10 hectares of garden Hospital of Orthopaedics, Trauma and Recovery in Eforie Sud, where they are treated over 6,000 patients annually. Also in 2010, GSK factory in Brasov employees were involved in blood donation activities, but also in administrative actions at Hospice House of Hope in Brasov, the center always needs funds for care of patients with terminal illnesses and children with hope limited life. And the previous edition in 2009, the

Orange Day, GSK employees were involved in various administrative activities for Hope House Hospice center of Brasov and also helped to clean green four areas of Brasov.

In my opinion, CSR is in its infancy in Romania and this is more attributable to multifunctional companies. If helping foreign companies operating in the social community has become so banal in 2011 no longer uses the term "social" in our country the word "voluntary" or "probation" is not well seen by the citizens of this country. Both voluntary and civic sense is gone after 1989. To plant a tree to help people with problems, essentially to help the community you live is a gesture rarely seen in our laws can and because Romania does not give tax advantages of companies or companies with Romanian capital to go on the idea profit without giving anything back to the community which helped fund its profit and turnover do you have.

From my point of view I think it would be better to take the example of companies that engage in the community once the community is doing better and prosperous companies, these two components are closely linked. It is good to give back to the community some of the contributions made to companies by buying products or services.

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