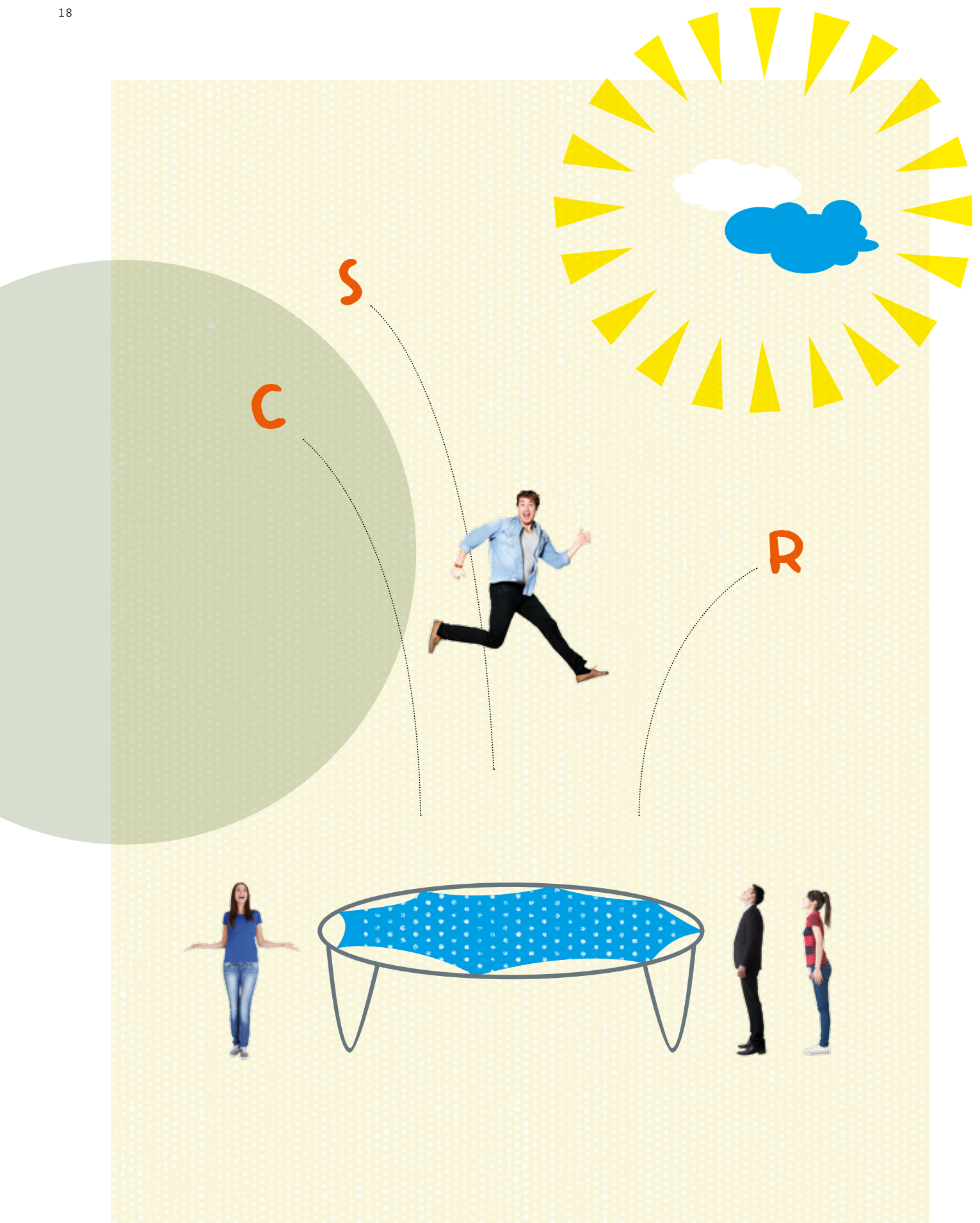




Challenging Competition with CSR: Going Beyond the Marketing Mix to Make a Difference

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*CSR, Competitive Advantage,
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Promoting well being /// In 2004, the personal care brand Dove started its worldwide “campaign for real beauty.” Despite some initial and ongoing critique, this campaign is already considered a classic example of a modern CSR approach of improving consumer well-being while at the same time helping achieve strategic goals such as market development and increased sales. With its objective of raising self-esteem of young women it started out as a billboard campaign showcasing “natural beauties” that contrasted with the size-zero-standard normally hyped by the fashion industry. The campaign later used viral videos like Evolution and started the partnership “Free Being Me” with the Girl Scouts. This program comprises age-appropriate curricula and workshops and has greatly boosted the popularity and sales of Dove products. It aims at inspiring girls to embrace a wider definition of beauty, build a strong sense of self and take care of their bodies and minds. The huge success of the Dove campaign was certainly one reason why companies are increasingly engaging in strategic CSR programs.

What makes CSR programs successful? /// So, is engagement in CSR a no-brainer in competition with other brands? No, there is a lot of homework to do to match outcomes and high expectations. To integrate CSR successfully into a company’s strategy, it is necessary to know what fosters and hinders success. It is also important to check both sides of the story: Is there an improvement in the cause itself as well as in business goals for the brand? To answer these questions we investigated a nationwide CSR program in the USA dealing with oral health care among Hispanic immigrants. The focal brand (here referred to as CB for challenger brand) attempted to gain ground against and challenge the leading brand in this growing Hispanic segment.

INVESTIGATING EFFECTS OF IMMIGRANT CHILDREN'S BRANDED ORAL HEALTH CARE EDUCATION

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For producers of oral care products, a relevant, serious social issue facing many of their consumers is the existence of "a silent epidemic": widespread dental and oral diseases in disadvantaged communities, especially among children of minority racial/ethnic groups. Oral diseases cause significant pain, poor appearance and valuable time lost from school. As an answer to a call for action by the U.S. Department of Health and Human Services, a major brand of oral care products, the CB, launched a national outreach program in the year 2000. In partnership with the Boys and Girls Club of America, the American Dental Association and dental schools across the country, it provides oral health education and dental care tools and services to children and their families in economically disadvantaged communities nationwide. At the core of this initiative was an oral health program created in partnership with the Boys and Girls Club of America, which is a national network of neighborhood-based recreational/educational clubs for economically disadvantaged children. The oral health program had an age-appropriate oral hygiene curriculum in which participants learn about proper oral health through videos, audio tapes, a website and interactive lesson plans. All participating children also received oral care tools (e.g., toothbrushes, toothpaste and dental floss) and parent brochures to take home. In addition, the CB has built several full-service dental clinics across the country to provide low-cost oral care, including screening and treatment.

To understand the effect of this program, we investigated its effect on an individual level. First, we conducted focus groups with parents of participating and non-participating children. In a second step, we employed a quasi-experimental design in a field survey and compared results from different groups to test several assumptions: The groups were split into parents of participating children versus parents of nonparticipating children. For some of the analyses we further split nonparticipants into parents who knew about the program and those who knew nothing about the program prior to the study.

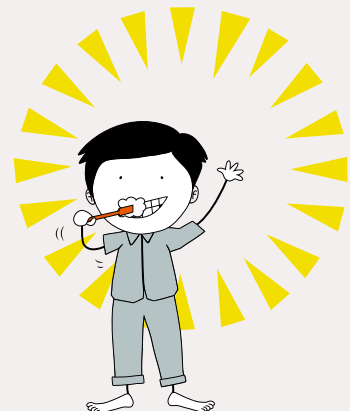
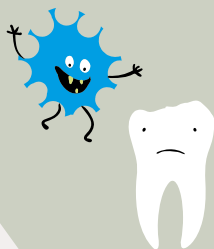
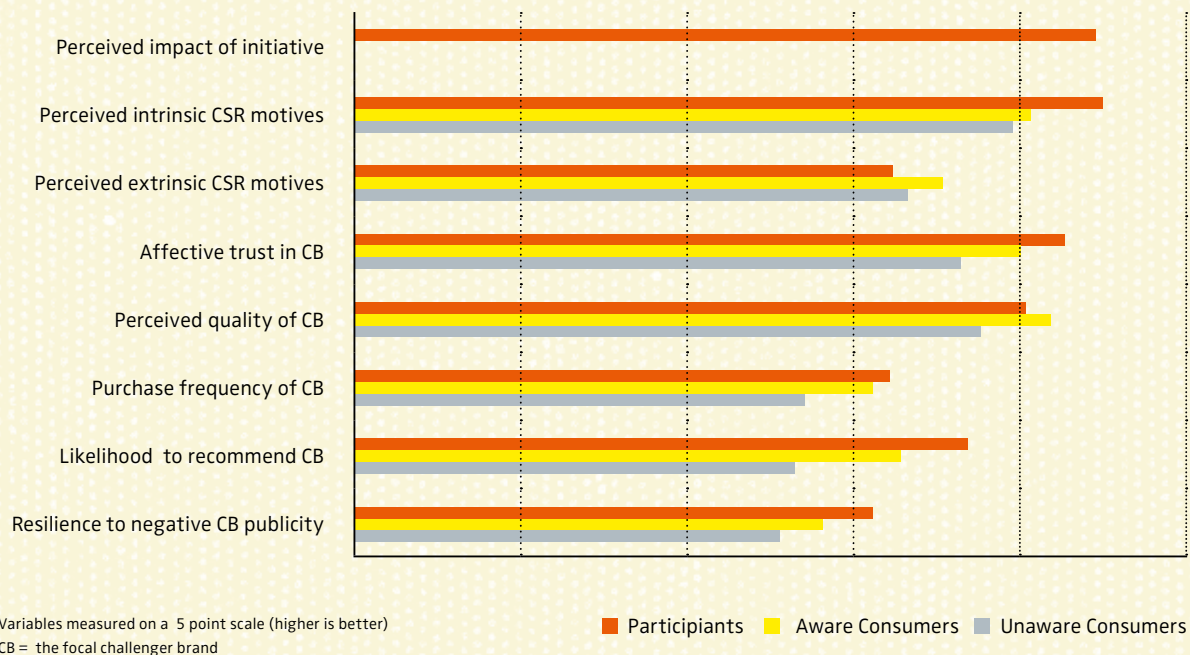


FIGURE 1:

Attitudes and behaviors of different consumer groups towards CB



Insights from a real-life CSR campaign on oral health care

- > **Participation is more effective than awareness** /// Consumers who have participated in and tangibly benefitted from the CB's CSR initiative showed more favorable attitudinal and behavioral outcomes relative to those who were merely aware of the initiative (Figure 1). Participants formed a strong, trust-based relationship with the CB. They went beyond just purchasing the brand to engage in a range of championing behaviors such as recommending the brand to others and volunteering for it.
- > **The prior relationship to the market leader moderates effects** /// The reactions to the CB's CSR initiative among aware consumers who knew about the program but had not participated in it ranged in favorability depending on the strength of their existing relationship with the competitor, the market leader. Aware consumers who were not strongly attached to the market leader eagerly embraced the CB's CSR initiative and applauded its efforts to help their community. In contrast, aware consumers who were emotionally attached to the leader tended to resist the initiative, with some questioning the sincerity of the CB's

motives and others arguing that the leader provided similar benefits to the community. It seems that brands need to overcome a competitive barrier in gaining favor when consumers feel committed to a competing brand.

- > **Participation helps overcome resistance** /// Direct participation in a positively experienced CSR initiative not only increased trust in the CB, but also helped overcome the biasing influence of consumers' bonds to the market leader in their processing of CB-related information. Regardless of the strength of their prior relationship with the market leader, participants displayed similar positive changes in their pro-CB attitude and behaviors.
- > **Psychosocial benefits beat health benefits** /// Participants' parents noted that the health-related benefits of oral care, like preventing cavities or gum diseases, were less motivating for their children than psychosocial outcome beliefs like good looks, a good social life and ultimately self-confidence. Young people seem to often feel invulnerable to health risks but are extremely sensitive to their social context.



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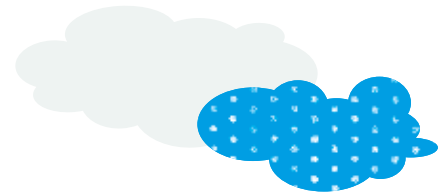


> **Perceived impact motivates reciprocal action** /// Those parents who perceived the program to have helped their children and family to a greater extent were found to be more likely to reciprocate. During the focus group discussions, even without prompting, they mentioned purchasing and supporting the corporate sponsor's brands as an important way to give back to the program and help the community. In a respondent's words, "It motivates you to buy their products because they are helping your community. So indirectly you are contributing to the community by buying their products and having them give back to the community."

How to build competitive advantage with CSR programs ///

Social initiatives that make a difference for the consumers are able to win consumers' hearts and build close and lasting relationships. A program that offers real participation and goes beyond the standard marketing mix can therefore effectively reshape the competitive game with a market leader. Key consumer/societal problems present unprecedented opportunities for companies to gain long-term competitive advantages by creating both social and business value. Making a noticeable difference in the quality of oral health care of the children in Hispanic immigrant communities helped the CB gain significant ground in this market. Rather than competing head-to-head against the leader by making incremental improvements in product attributes or relying on price promotions, the CB can resort to an innovative CSR initiative, appealing to consumers' hearts and reshaping the game of competition. According to our findings, the following recommendations will improve the quality of the outcome, both for society and company.

> **Encourage participation** /// According to our results, CSR budgets may be better spent gaining the active participation of consumers rather than merely making them aware of these initiatives. Program participation is likely to produce long-term, vivid beliefs about a brand's genuine desire and ability to improve the welfare of the participating consumers. In contrast, CSR advertising, particularly when it is not a precursor to participation, is likely to produce more muted pro-brand behaviors. Especially under



circumstances when it is necessary to overcome resistance, as in the case where a competing brand is preferred, participation is much more effective in changing consumers' beliefs and attitudes and ultimately in building a trust-based relationship with consumers.

> **Make a real difference** /// Managers should note that a participative campaign per se does not guarantee success. The perceived efficacy of the initiative plays a big role in convincing consumers that the company has the community's best interests at heart. The initiative's ability to make a difference in the participant consumers' lives leads to affective trust toward the brand and cultivates consumer loyalty. Thus, managers need to realize that a prerequisite to creating business value through CSR is the creation of social value. According to our results, consumers are tolerant of market motives on the part of the company as long as the company is serious about making a difference in the social arena. In fact, many consumers even laud the fact that the sponsoring company has business interests as well. It gives them security in the sense that they will keep their engagement. This implies that managers do not need to hide market motives and oversell their altruism while communicating CSR.

> **Tailor activities to specific consumer segments** /// A well-designed, effective intervention program needs to be tailored to its target market by taking into account consumers' life projects or current concerns as well as by being culturally appropriate. The program we examined was particularly effective in promoting oral care behavior among children from immigrant families because its overall theme was "smile." By choosing this theme, the brand emphasized the psychosocial benefits of oral health which were so important to this disadvantaged group in their struggle to adapt to life in the host country. Therefore the campaign was eagerly embraced by its target consumers. To effectively change behaviors that promote health and social welfare, marketers need to understand the needs and wants of their target consumers and design consumer-oriented social programs that address their real concerns.

ORIGINAL ARTICLE

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