

# The Impact of CSR (Corporate Social Responsibility) Advertisement on Costumer Awareness

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Corporate Social Responsibility (CSR) is a global trend, also in the advertising industry. The purpose of this paper is to show what consumers think about CSR-related advertising and if it changes their buying behavior. An online survey was sent to the target group. It included questions about sustainability in general and questions concerning five different commercials of Coca Cola, Procter & Gamble, Vodafone, Volkswagen and Suzuki. Some questions had their focus on CSR activities and some on the product. The findings of this study indicate that credibility is most important for a good CSR media campaign. Another result is that the majority of the respondents don't trust a company more because of a special advertisement, but that they want to find out more about the company and its social commitment on the internet, if the commercial is touching in this way.

*Keywords:* corporate social responsibility, sustainability, social commitment, commercials

## Introduction

The focus on Corporate Social Responsibility (CSR) in commercial advertisements is a new global trend and it will come increasingly to the fore. Consumers expect that companies act ethically and in the age of the Internet there is an unprecedented transparency. Italy's largest retailer Walter Dondi said in 2011: "Our consumers are very sensitive to social and environmental issues... We have actively engaged with them on these issues in the last ten years, and they have become very aware as consumers. They especially ask for information on environmental policies, workers' rights and product safety". Prior studies conclude that consumers' purchase decisions are positively influenced by socially responsible initiatives (C.B.&Sankar,2004). Because of that more and more companies are turning to CSR-related commercials to win consumer trust and increase their sales (Bickel&InaM.,2009). This study examines the question if these CSR commercials really achieve their desired effect. Moreover it aims to answer the following questions: What do consumers think about these campaigns? Are they believable or is more required than an advertising to convince people that a company stands for sustainability?

## Theoretical Framework

Currently there is no commonly accepted definition of CSR. This is probably bound up with the variety of CSR-similar terms like sustainable business, corporate sustainability, corporate responsibility, business

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social responsibility and so forth. The European Union defines CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” ([http://ec.europa.eu/enterprise/mobile/topics/policies/sustainable-business/corporate-social-responsibility/index\\_en.htm](http://ec.europa.eu/enterprise/mobile/topics/policies/sustainable-business/corporate-social-responsibility/index_en.htm)).

If companies don't abide by ethical principles, it often results in loss of reputation and sales. A good example of this is Nike, which came in for much criticism in the 1990s, after it became known that their products are made with child labor in low-wage countries (Mujtaba, Bahaudin G., Cavico, Frank J., Jones, & Cyndy, 2005).

“It takes 20 years to build a reputation and five minutes to ruin it”, said American business magnate Warren Buffet (Ellis & Tania, 2010).

Most companies have also recognized this fact and want to prove that they advocate for social interests by using CSR advertising spots.

But CSR commercials can also backfire. Yeosun Yoon, assistant professor of management at the Jesse H. Jones Graduate School of Management found out that the effect on a company's reputation is absent or become negative, if consumers distrust the sincerity of a CSR campaign.

### **Methodology**

We draft an online survey and sent it to our friends worldwide and of all ages to ascertain primary data. The responses to this survey are completely anonymous, so that the participants feel free to answer honestly.

To examine which effect CSR advertisements have on consumers, we chose five commercials of different companies. Some of them have their focus on CSR activities, the other have their focus on the product.

In order to find out, if a CSR focused commercial can influence the consumer's awareness of a company, we ask several questions both before and after showing the videos. These are both open-ended and closed-ended questions. Five-point Likert scales were also used in questionnaire to gather opinions of the respondents.

The selection of the advertising spots is discussed as follows:

As the first commercial we chose the Coca Cola campaign in occasion of its 125th anniversary, because it's an innovative idea to show research results, which are aimed to create positive feelings and it led to much discussion on the internet.

The second advertisement we have chosen is the “Thank you mom” commercial by Procter & Gamble, which was produced for the Olympic Games in London 2012, because it has more than 2.8 million viewers on YouTube and the Olympic Games are a major event with a lot of viewers worldwide.

We decided to use the “Real LTE” Vodafone commercial as our third video for the online survey, for it is produced by the famous German advertising agency “Jung von Matt”, the “Manager Magazine” and the “Art Directors Club” in Germany multiply honored as the most creative German advertising agency.

The fourth and fifth videos in our questionnaire are commercials by Volkswagen. This is due to the fact that both were shown during the Super Bowl 2012, thus known to many people.

Furthermore there are some questions about sustainability in general.

### **Analysis and Findings of the Online Survey**

Forty-six from 119 persons completed the survey. So there is a completion rate of about 39%. We assume

that this rate is very low, because of the high number of open-ended questions. But it was important for us to give the participants space for their own opinions without any presets. Only completed questionnaires were analyzed!

Next up a short overview concerning the demographic information of the participants: Most interviewees are between 18 and 24 years (65.22%) and between 25 and 34 years (28.26%). Forty-one point three percent respondents are male and 58.7% female. The most frequent reply concerning the question from which region the participant are from was Europe (80.43%). And most of the interviewed persons answered that their highest level of education they have completed is high school or equivalent (60.87%), followed by people, who have a bachelor degree (26.09%). You can see all data in Figure 1!

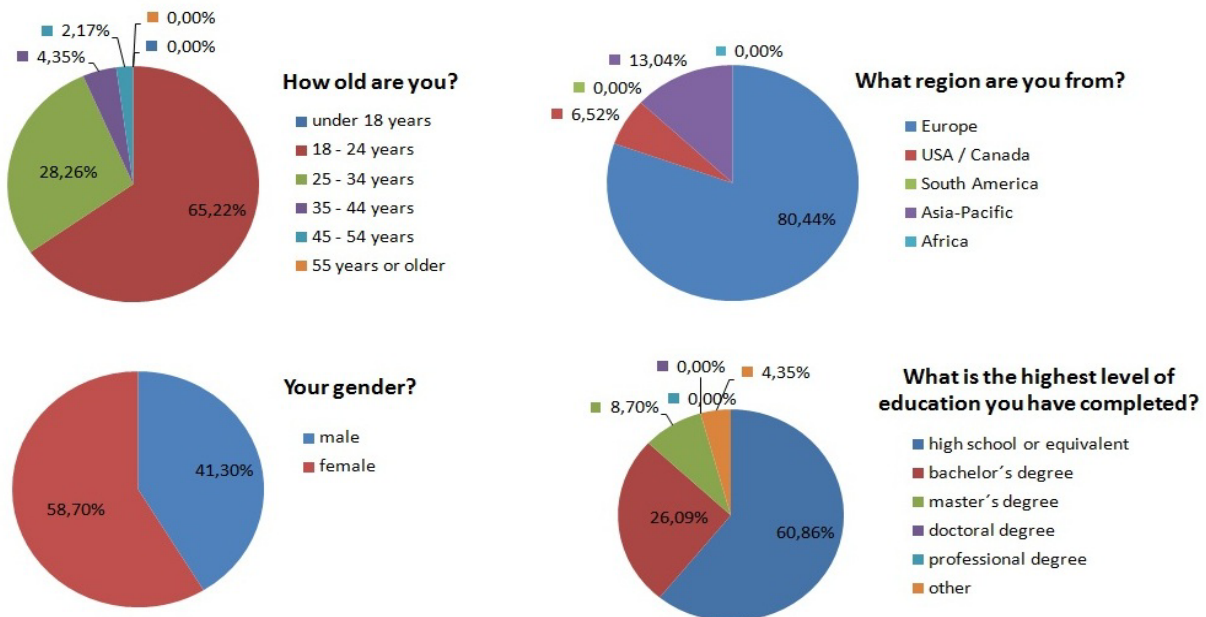


Figure 1. Demographic information.

The analyses of respondents' opinions are listed below:

Q1: "Which information about a company is most important for you if you want to buy a product?"

Most participants named both quality and good reputation respectively ethical aspects. "I want information, which shows reliability and integrity on the company and its product". But some answered that they don't care about ethical aspects. "If I want to buy a product, the only thing that matters to me is the product itself. I usually don't care about the company behind the item". Just a few interviewees indicated, that the price is the most significant criteria.

Q2: Can a positive media campaign of a company (e.g., Pampers life-saving campaign or Krombacher rainforest campaign) influence your decision on buying products of this company? Please give reasons for your reply.

The majority (69.57%) agreed, that a positive media campaign can influence their buying decision. A participant argued: "By buying everyday products which promote better living conditions for people and a safer environment, I definitely feel like I took part in something helpful". And a lot of people think along the same lines. "In that case I feel that I contribute to something good and make the cruel and ugly world a bit brighter". Only 30.43% said that this would have no effect on them. "To my mind it seems that those companies are just

trying to make more profit with the help of beneficent work or activities. There's no evidence that our help gets to the people or regions mentioned in their spots".

So a CSR-related commercial can influence the purchasing behavior in a positive way, but companies should make sure that it is authentic and they just do it for sales increase.

Q 3: Awareness of selected companies and brands ("Do you know the following companies / brands? Have you ever purchased a product of them and what do you associate with them?").

This question aims to figure out what kind of reputation the selected companies have, what people associate with them and if their products have a high or low level of awareness. Figure 2 emphasizes that the selected companies are known to the interviewees. That is important, because they also have to judge commercial advertisings of these companies later in the questionnaire.

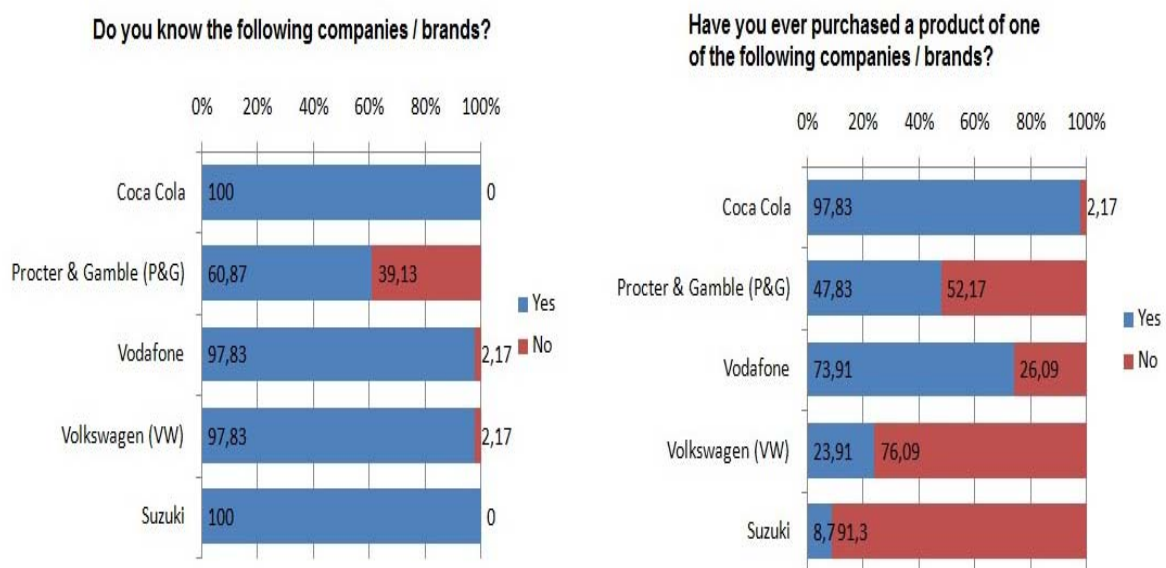


Figure 2. Awareness and buying behavior.

Concerning the question what the participants associate with Coca Cola there are just two out of 46 people, who see a connection between Coca Cola and CSR activities. Both positive ("they spend huge amounts of money on advertisement and sponsorships and image, charity work for the heart day") and negative ("in India are the most factories located, not the best working conditions"). Most just think of sugar and Christmas.

Procter & Gamble (P&G) is linked with nothing in particular. Just one person associate it with animal experimentation. This might be, because a lot of participants don't know the company. So we can conclude that P&G needs more commercials, that is focused on the company and not only on the products to create a higher awareness.

Vodafone is connected on the one hand with good internet and mobile connection, but on the other hand with a very bad service, so they should work on it to win back customer satisfaction.

The participants just associate high quality and reliability with Volkswagen and motorcycles and Japan with Suzuki. There are no negative connections to those companies.

Questions 4, 5, and 6: Matrixes concerning to popularity, corporate image and social projects. The results are diagrammed and self-explanatory (see Figure 3, 4, and 5).

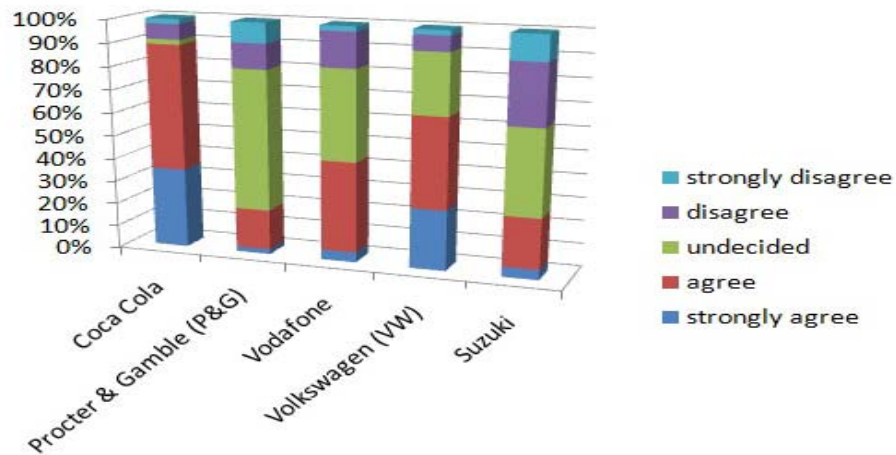


Figure 3. Trendy company/brand.

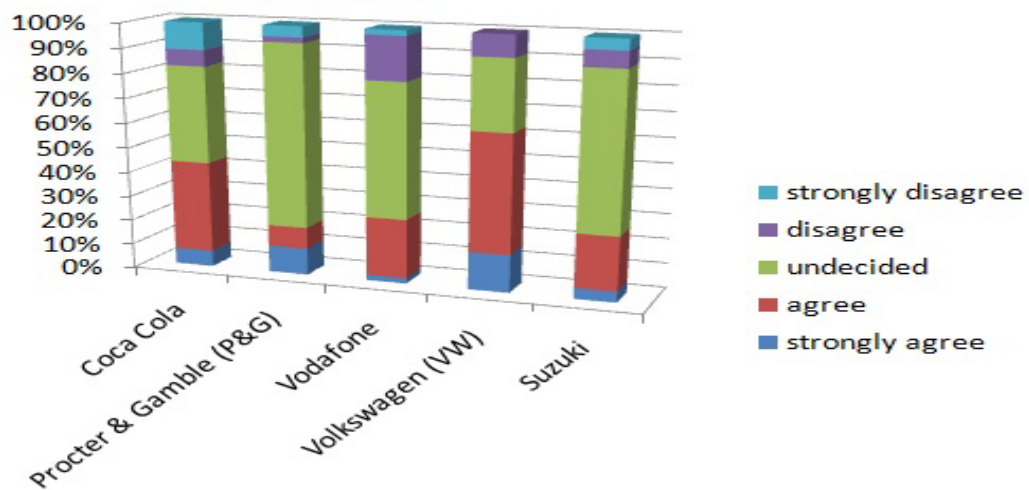


Figure 4. A positive corporate image.

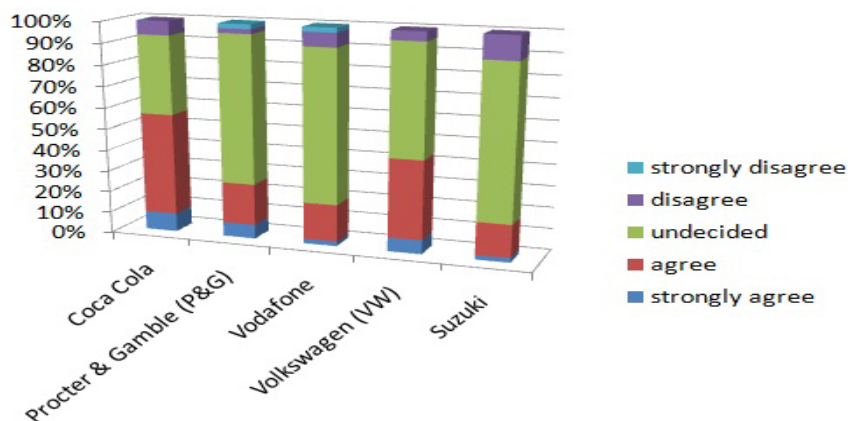


Figure 5. Social projects supported by this company.

The further questions concern to the videos that are already mentioned in section “methodology”. Here are the aggregated results. Detailed results are figured (Figures 6 and 7).

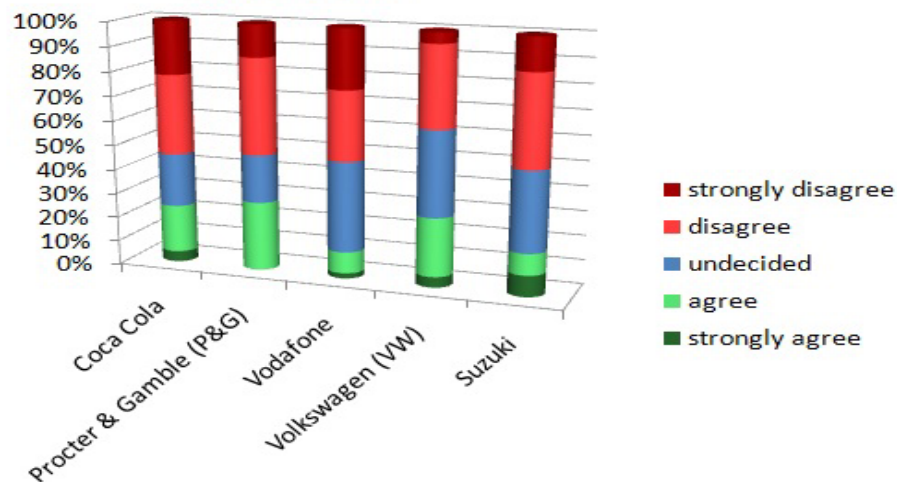


Figure 6. The advertisement's influence on buying a product from this company/brand instead of a competing one.

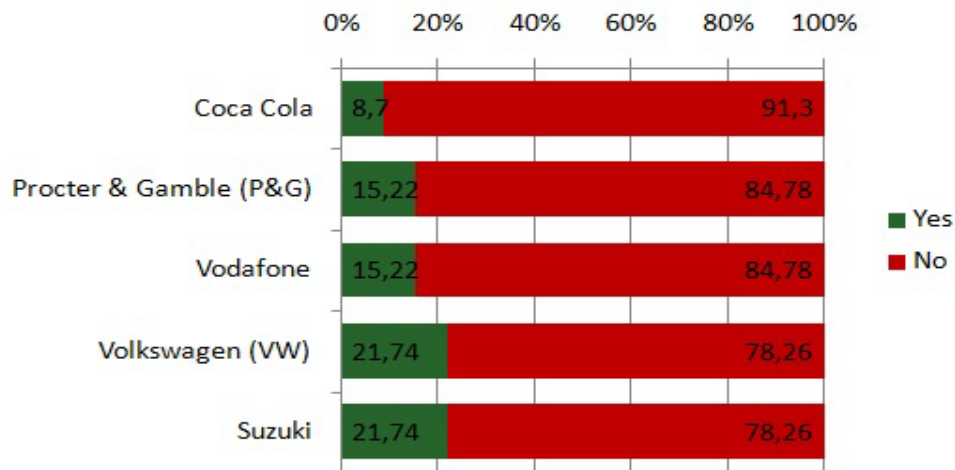


Figure 7. Your opinion's change about this company/brand whether because of the advertisement.

Coca Cola commercial: It effects mainly good emotions and a lot of participants answered, that they like the music very much. Just a few interviewees think that this is just hypocrisy. But a large majority of respondents indicated, that this advertisement wouldn't influence them to buy a product of Coca Cola instead of a competing brand and 91.3 % declared that their opinion about Coca Cola has not changed because of the commercial. P & G commercial: Opinions differ. Some find it very appealing, others are confused, because they don't see the connection between the advertisement and the products. Only 15&22 indicated that their opinion about P&G changed, because of the commercial.

Vodafone commercial: Opinions differ also in this advertisement. There are participants, who like it very much, because of the music and the pictures, but others indicated that it makes no sense and they don't get it. The question if this commercial would change their opinion about Vodafone is most answered with "no" (84.78%).

Volkswagen and Suzuki commercial: The advertisement of Volkswagen is well-received by the respondents and a lot of people indicated that it is very funny. And although the Suzuki commercial also deals with dogs and cars, most people don't like it and said it is "run-of-the-mil". Both advertisements can't influence the participants' opinions about these companies.

## Conclusion

The study shows that most CSR related commercials touch the people but neither of them necessarily leads to an increased shopping behavior nor the opinion of the viewers concerning the advertised company changes immediately. Most of the viewers believe that content of the commercials reflect more marketing strategies than they represent true social commitment of the companies. Most people do not trust the commercials but seek further information about the true social commitment of the companies. But touching CSR commercials can trigger people's interest to get more information about the company, its products and activities.

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