CORPORATE SOCIAL RESPONSIBILITY MARKETING COMMUNICATIONS OF AMERICAN AND WESTERN EUROPEAN MULTINATIONAL ENTERPRISES: A LONGITUDINAL STUDY OF STAKEHOLDER ENGAGEMENT

By

SPENCER M ROSS

Submitted in partial fulfillment of the requirements

for the degree of Master of Business Administration

ST. JOHN'S UNIVERSITY

MAY 2008

Submitted	Approval
Date:	Date:
Student Name/Signature	Thesis Supervisor's Name/Signature

CORPORATE SOCIAL RESPONSIBILITY MARKETING COMMUNICATIONS OF AMERICAN AND WESTERN EUROPEAN MULTINATIONAL ENTERPRISES: A LONGITUDINAL STUDY OF STAKEHOLDER ENGAGEMENT

Abstract

By

SPENCER M ROSS

The objective of this paper is to provide general comparisons between corporate social responsibility (CSR) marketing communications tools of American and Western European multinational enterprises (MNE). The results of the comparisons demonstrate that there is significant (yet unempirically proven) evidence of varied approaches to using marketing communications tools as a means of stakeholder engagement.

In the first chapter of the paper, the problem and purpose are set out, along with definitions of some CSR terminology and delimitations of the paper. In the second chapter, literature from various sources such as the ProQuest electronic database is reviewed and critiqued. The third chapter of this paper focuses on a practical application of CSR marketing communications under the scope of a type of marketing known as "greenwashing" and debates the practice's positive and negative consequences. The fourth chapter of this paper presents case findings by comparing

and contrasting CSR/sustainability reports from three different American MNEs with reports from three different Western European MNEs. These findings are further synthesized in chapter five, which contains an overall analysis of findings in chapters two, three, and four. Chapter six contains concluding remarks on the subject matter and suggested directions for further empirical research on the subject.

Acknowledgements

This thesis could not have been completed without the love, support, and patience of my fiancée, Judith. Without her, I may have never pursued my dreams. (I may never have stopped researching to start writing this thesis either.)

In addition, I thank my parents and my sister for helping support me, both emotionally and financially, in my business school endeavors.

During the research of this paper, my initial advisor, Dr. John W. Dobbins was diagnosed with cancer and subsequently passed away in March 2008. I would like to recognize my advisor, Dr. Jaeseok Jeong for assuming advising responsibilities on this paper—long after its original deadline—and for acting as a mentor in encouraging my academic pursuits.

I would also like to thank my former colleagues at the NewAlliance Bank in Vernon, Connecticut—in particular, Mr. Nathan Gompper, my former manager—for pushing me towards better academic and career aspirations and for allowing me to explore my full potential.

Finally, I must mention the impact that Starbucks Chairman and Chief Executive Officer Howard Schultz has had on my life. His book, *Pour Your Heart Into It: How Starbucks Built a Company One Cup at a Time* was among the key inspirations for me to attend business school and explore the possibilities of corporate social responsibility.

Contents

1. Introduction

This chapter gives the reader an introduction to the subject and discusses the purpose of this thesis.

1.1 For Corporate Social Responsibility

Ladley: Everybody's for ecology. But isn't the goal of corporations to make money? They can't exist unless they do.
Theo Huxtable: Yeah, but you see, it's a question of balance. I mean, all a corporation is is a group of citizens. And the citizens have to be responsible, inside the corporation and outside in the real world.
Anderson: Well that's very true, Leo [sic]. *But you'd be surprised as to how difficult it is to get people to understand that concept.*
Theo Huxtable: Really? But it's so clear. As long as you respect people as individuals, what else is there?

The Cosby Show

In 1973, William Wilson, President and Chief Executive Officer of advertising agency Daniel Starch & Staff, Inc. predicted that there would be a shift of public focus onto the private sector. This would lead to public skepticism that would shake corporations into accountability. In particular, this assessment was based on the fact that the consumerist nature of America was moving away from production as the impetus for sales and instead emphasizing marketing as its primary driver.

Only a few years earlier, American economist Milton Friedman published an article in the *New York Times Sunday Magazine* entitled “The Social Responsibility of Business is to increase profits” (Friedman, 1970). In this brief, yet seminal libertarian article, Friedman outlined that the need for businesses to increase their profits supersedes any management interests to account for environmental, social, or corporate governance concerns.

Therein, the movement for corporate social responsibility (CSR) has its ideological counterpoint. Since the period of time when CSR concepts were first debated, the global marketplace has undergone drastic shifts by way of international trade. The increases in technological innovation and access to information have also compounded the increase in trade liberalization. The proliferation of the internet and the World Wide Web has forced human society to reevaluate how it conducts business and with whom it transacts business. Among the actors involved in this paradigm shift are multinational enterprises (MNE), for which global expansion has become an integral part of the business model.

It is the opinion of the author that the assumptions by Wilson (1973) toward CSR have increasing merit for businesses in the twenty-first century—in particular, as the increases in global trade make their way to emerging market economies. The expansion of global supply chains necessitates corporate accountability and transparency. Additionally, CSR has the ability to add positive value and brand equity to a corporation by enabling it to demonstrate its potential as a "good" corporate citizen (Jeurissen, 2004).

It is not profits alone that enhance shareholder value, but brand name and brand value constructs as well. The case for corporate social responsibility is not without its critics, however shifting ideological principles following the 2001 financial collapses of American corporations created a resurgence of interest in the way business interacts with society. Laufer (2003) suggests that, when assessing corporate communications, relying on a company's integrity alone would be a rather naïve practice, particularly in the aftermath of the American corporate scandals of 2001.

The righteous (and voluntary) actions of a corporation toward social commitment should be irrespective of a company's financial position. CSR is concerned with the macro and systemic obligations and actions by large corporations (Tuzzolino & Armandi, 1981). Although actions *do* speak louder than words, a corporation cannot merely claim it is responsible without the proper means by which to demonstrate these behaviors. By choosing to engage the constituencies that depend on its goods and services, the corporation would ideally take advantage of its marketing communications—both internal and external—to report its actions. Whether or not CSR drives corporate profits is debatable (Rennings *et al*., 2003), however there should be minimal dispute that CSR has a role in serving the needs of society as a whole.

On a local level, the needs of society may be communicated in different fashions, thus causing companies to adapt differently to various markets. MNEs do not have inflexibility in reacting to local conditions, as they operate in markets outside their home country. Rather, the location of the MNE's home country has the potential to influence its practice of CSR and thus engage with stakeholders in a variety of ways (Habisch *et al*., 2005). Additionally, corporate culture can enable a company to act in a means deemed by society as worthy. Again, regional, geographic cultural tendencies can impact the construct of corporate culture.

An example of these tendencies are the socially embedded economies that are reflected by CSR in Western Europe. Midttun *et al.* (2006) posit that states that traditionally take this type of approach are more likely to reflect a higher sense of CSR. They refer to this as the "symmetric embeddedness hypothesis." The result of Friedman's libertarian influence on the American economy suggests that the United States has not necessarily oriented itself in the direction of CSR.

In recent years, the shift to CSR by many MNEs has given rise to the need for various forms of marketing communications. These communications tools range from television and print media advertisements to annual sustainability or corporate citizenship reports that are provided with annual financial reports to investors. Due to voluntary nature of CSR reporting, corporations have the potential to turn CSR reports into an exercise in "greenwashing," wherein the mission of the report shifts focus off the firm's problems. Instead, this portrays to stakeholders a false belief and "manipulation of public opinion" that the company is actually achieving the objectives and commitments it has set forth (Laufer, 2003).

Thus, the future of CSR may be revealed through various reporting frameworks such as Ceres's Global Reporting Initiative (GRI) or AccountAbility's SA1000S. The utilization of these frameworks in the goal of triple bottom line (TBL) reporting may serve to legitimize the various marketing activities that MNEs undertake to promote their CSR actions. In addition, it may also start to homogenize

CSR activities across national borders and stimulate competition on the basis that a corporation's social responsibility goals serve as a model for economic innovation and long-term sustainability.

1.1.1 Problem

From this introduction, we see that CSR is the recent subject of much business debate. An ideological schism ensues when discussing whether or not a corporation derives any benefit to shareholder value and whether or not it is the responsibility of corporate management to use shareholders' investments to achieve CSR goals. The liberal/libertarian schism is largely prevalent when comparing and contrasting Western European and American MNEs with regards to different CSR and stakeholder engagement modeling. Even though the GDP of America exceeds that of the combined EU, individual European countries surpass the United States in terms of environmental and social reporting (Tschopp, 2005). Since reporting is voluntary for companies in both regions, this suggests a legitimate cause for concern regarding American ambivalence to CSR.

What does this mean for MNEs? With the creation of CSR/TBL reporting frameworks, will CSR marketing communications become more important to American MNEs? Will Western European MNEs increase their brand equity through their existing models of CSR or will they continue to innovate? Or, are the current trends in CSR performance enough to self-motivate companies to engage in a form of "CSR brinksmanship," regardless of their corporate headquarters?

Although there have been several studies performed on CSR from a theoretical standpoint, there are few surveys of CSR from a practical perspective. The voluntary nature of the field makes it more approachable from a theoretical perspective. However there must be more case studies that draw comparisons between different types of CSR marketing communications across both sectoral and geographical longitudes. These questions provide the impetus for this thesis and therefore congeal its purpose.

1.1.2 Purpose

By studying CSR marketing communications from a practical perspective, the purpose of this thesis is to compare and contrast various cross-sectoral and cross-geographical implications on CSR. This thesis serves to establish benchmark status of different market leaders—particularly by assessing what actions different MNEs are taking to serve the social, economic, and/or governance aspects of corporate social responsibility.

While this thesis will draw comparisons between American and Western European companies, the differences may also show themselves namely evident in property rights entrenched in various national constitutions. In America, the right to private enterprise and private property has been the result of a form of capitalism that only finds itself regulated when catastrophe strikes the economic markets. The result is that many American corporations seem to find themselves, on the onset of business, less responsible to the public interests.

Studying and acknowledging these underlying differences creates greater potential for companies of all sizes, who look to expound upon their current CSR marketing communications strategies and innovate in the effectiveness of their stakeholder engagement. Relevant to this longitudinal study is discussion of how multinational enterprises can continue to transcend geographic borders to engage with multi-national stakeholders.

1.1.3 Definition of Terms

CSR is a concept with no concrete definition. As a result, it needs to have a construct by which it can be measured and validated according to a set of criteria (Charles & Hill, 2004). Because of the voluntary nature of establishing these criteria, the terminology with respect to this thesis must be clarified.

Of corporate social responsibility itself, Maignan & Ferrell (2004) write that CSR encompasses not just the consumer, but all stakeholders. They view past conceptions of CSR as inclusive of social obligations, stakeholder obligations, ethics driven, and managerial process. This is consistent with other traditional definitions of CSR that include environmental and social factors as key to a responsible business.

Triple bottom line is a measurement of success that transcends traditional economic (or fiscal success) and instead, incorporates social and environmental successes as well. Environmental success may include reduction of carbon emissions or implementation of renewable energy sources. Social successes may include workplace and business practices, human or labor rights, and community relations. In specific, Triple bottom line reporting focuses on a company’s performance in a variety of social-related aspects (Tschopp, 2003).

“Stakeholder” is best defined using the traditional construct proposed by Freeman (1984: 25):

> “A stakeholder in an organization is (by its definition) any group or individual who can affect or is affected by the achievement of the organization's objective.

This definition is most applicable, as it reflects the relationships between the corporation and all of its environments (social, natural, and economic). It highlights not only shareholders, who have a direct financial influence on the corporation, but institutions such as non-governmental organizations (NGO), who could have naturalist influences on the corporation (depending on their mandates).

Stakeholder issues range from labor rights to environmental pollution to fiscal transparency. This falls in line with the individual aspects of TBL reporting. However, addressing one of these issues may have a concurrent adverse impact on other issues. The resulting impacts may create a tradeoff situation where the company will have to evaluate the outcomes of the solutions (Maignan & Ferrell, 2004).

Sustainability and sustainable business refers to the ability for a corporation to engage its stakeholders in a broad array of issues that affect the long-term survival of the corporation and its interests. Though there are some instances where sustainability specifically refers to environmental impact, the scope of this thesis requires complete sustainability, as it is integral to discussing CSR. A corporation that acts in a socially responsible manner has potential to improve its sustainable outlook.

1.1.4 Delimitations

This thesis will not touch upon the corporate social responsibility of small and medium-sized enterprises (SME). The size and scope of SMEs create resource-prohibitive constraints. In addition, their geographical relationship with stakeholders is typically smaller and does not provide much opportunity for the discussion of multinational strategy. Discussion of the CSR marketing communications of SMEs is better served by research in fields such as social entrepreneurship or SME-specific strategy.

This thesis will only discuss American and Western European MNEs. The United Nations (2007) has a restrictive classification of Western European countries. For the discussion of this paper however, Western Europe will include the market economies of European countries west of the so-called “Iron Curtain” of Cold War communism. A majority of these countries are also members of the North Atlantic Treaty Organization, thus demonstrating strategic alliances not only on the basis of defense and security, but with American interest in maintaining market economies.

This thesis will also focus on a variety of industries of the author’s choosing. The selected cases study perceived industry/ leaders who are market leaders as well, thus demonstrating the impact of CSR on multinational enterprises. Using these corporations for study will provide greater comparison and contrast of ideological differences between companies headquartered in traditionally market economies.

The marketing materials are also limited by the author's geographic access to a variety of sources. As the author and the author's affiliated university are located in the United States, geography and language restricts the volume of advertising and other marketing materials that could effectively be discussed. It is for this reason the chapter on case findings significantly concentrates on CSR reporting as a means of stakeholder engagement. Tschopp (2005) suggests that since the ISO14001 reporting framework focuses on environmental issues and SA8000 framework focuses on labor issues, the GRI and AA1000S frameworks are more worthy and all-encompassing for comparisons of companies. This will be discussed in greater detail below.

2. Literature Review

This chapter will discuss theories of practice and how they are used by American and Western European MNEs. The chapter begins with an introduction to why the subject matter was chosen. A description of the different practices will also be discussed and finally the criticism of sources.

2.1 Choice of Subject

The author's interest in CSR was borne out of studying a variety of multinational corporations and the potential for their positive impact. After reading the book *No Logo: Taking Aim at the Brand Bullies* (Klein, 2000), further nonacademic research was pursued with the goal of finding corporations that would positively engage a multi-stakeholder constituency. The larger and more globally integrative the corporation, the more relevant the role of stakeholder engagement would play in marketing communications.

Prior to thesis study, the author's belief was that the existence of corporations is a legal entrenchment of business rights. Capaldi (2005) posits that a firm is "a nexus of contracts" that allow individuals to pursue personal interests. This is consistent with also consistent with Bakan's (2003) psychological profile of a corporation. However, these business rights do not necessitate the mandate of business responsibility.

In America, the concepts of private property and private enterprise are entrenched in the national constitution, while the model of European allocation of resources tends to lean toward statist business. Thus the author recognized greater potential for European models of CSR to demonstrate commitment of private corporations to work with NGOs as well as with governmental bureaucracies in achieving social change.

The author saw a need to highlight ideological differences in marketing communications by comparing American MNEs to Western European MNEs. The results would otherwise imply that despite the geography of global headquarters, true CSR marketing communications would require a more effective engagement of stakeholders across the globe.

2.2 Research Approach

A majority of the literature selected for this study is from the ProQuest electronic database. ProQuest provides online microfilm copies from various academic journals as well as popular print media. The greater portion of articles used in this paper come from academic journals is published in 2001 or later, since the study of CSR in the United States in particular gained greater academic attention after this time.

In addition, various books in popular media publication were read. These books include topical descriptions of CSR/TBL concepts by non-academics as well as corporate profiles that highlight various business practices and strategies.

Finally, several classic philosophical texts that lent themselves to understanding social impact and social responsibility were studied for personal knowledge. Among this literature includes Jean-Jacques Rousseau's "Discourse on the Origin and Basis of Inequality Among Men" and "The Social Contract" as well as Adam Smith's *The Theory of Moral Sentiments*.

2.3 Literature Study

As the literature concerning corporate social responsibility has been largely developed over the past decade, it is important to understand three broad-based concepts that notionally relate to stakeholder engagement: 1) corporate social responsibility; 2) marketing communications; and, 3) sociological differences between Western Europe and the United States.

Bloom *et al* (1995). pose two different questions of a company's social marketing exercises: 1) Is society better off because of this program? And, 2) Has corporate involvement allowed this program to perform better than it would if it were managed by only a nonprofit or government agency (1995)? Answering these questions allows the ability to determine the effectiveness of a company's social marketing program. Even so, it does not necessarily measure direct correlation between a social marketing campaign and the actual outcomes.

Chalal and Sharma (2006) present a framework for CSR that encompasses five different aspects: 1) organization culture; 2) human resources; 3) product/services; 4) social development activities; and, 5) the regulatory environment. These five antecedents of CSR ultimately translate into relationship, economic performance, and social measures that bolster a company's competitive advantage. Thus, when a company learns to integrate CSR into its activities—ultimately leading to the ability to generate elements for positive marketing—it is likely to contribute to benefit the company's market outlook. The direct correlation however, has yet to be proven.

Eberhard-Harribey (2006) questions whether or not the CSR concept is really a core of EU functions or just an amplification of international sentiment. He also writes that CSR might be more of a parameter for global strategy for the EU. The traditional grounds on which CSR is founded are voluntary. They include the incorporation of environmental responsibility and the concerns of stakeholders.

The analysis of CSR in Western Europe presented by Midttun *et al*. (2006) is particularly encouraging to ultimately providing a basis of contrast with American CSR. They write that three types of welfare states exist: the European "insurance model," the Nordic "citizens' rights universal model," and the British "residual model." This is relatively consistent with the "two-capitalisms" thesis proposed in Michel Albert's (1991) book, *Capitalisme contre Capitalisme*. The more independent that social welfare transfer payments become from the market, the greater likelihood that the state will be symmetrically embedded. The book *Corporate Social Responsibility Across Europe* (Habisch *et al*., 2005) also provides various depictions of CSR models in various countries across Europe.

Nicholas Capaldi (2005: 408) provides the best libertarian definition of the corporations as "artificial contractual devices through which self-interested individuals pursue their private good in aggregate fashion." Contrarily, the communitarian definition of 'corporation' beholds the corporation to a social good, rather than a private good. This ultimately translates to political ideologies that are prevalent in market economies. Libertarian ideologies would tend to side with the Republican (Tory) political party, while liberal/communitarian ideologies would translate to the Democratic (Labour) party (Capaldi, 2005).

The CSR model is a "softer" model that encourages and incentivizes companies to participate with all shareholders. This may include public recognition of companies that engage in social development. This "embedding" of CSR is indicative of a new engagement model focusing more on corporate interest, rather than just a welfare-state social corporatism political economy (Midttun *et al.*, 2006).

A Fleishman-Hilliard survey shows that American adults believe good corporate social responsibility lies in how well companies treat their employees (including foreign employees working domestically as well as employees in foreign environments). The result of this survey indicated the attitude carried over with 76% of American adults in consideration of their purchasing decisions (Verschoor, 2006). American consumers are also interested in purchasing from companies that fit in line with their personal values. The survey also found that 21% of American adults give corporations “top marks” for being socially responsible. Forty-seven percent of the survey’s respondents base these judgments on information obtained from the Internet.

The global relevancy of the corporation’s responsibility is developed by an understanding of communal commitment. Jeurissen (2004) outlines four basic factors that form the “active citizenship role”: the social contract, collective responsibility, active responsibility, and the juridical state. The social contract, espoused by the liberal thinker Jean-Jacques Rousseau moves to universally binding agreements that acknowledge basic rights and freedoms in the interest of the “public good.” Citizens living under this social contract undertake a moral responsibility for long-term benefits.

Lantos (2002:206-207) writes in commendation of altruistic CSR for private companies, but in rejection of altruistic CSR for public companies. According to his paper, there are three types of CSR:

1) Ethical CSR (a moral fulfillment of responsibility by companies);
2) Altruistic CSR (alleviating potential harm, even if it does not benefit the corporation itself); and,
3) Strategic CSR (fulfilling responsibilities that will strengthen publicity and goodwill).

This should not be the case. Tuzzolino & Armandi's (1981) application of Maslow's needs-hierarchy to an organization falls perfectly in line with those who categorize a corporation as a singular entity, analogous to a person. As such, it is necessary for the multinational enterprises that have already fulfilled the basic needs levels to move toward self-actualization and beyond. Corporation that merely focuses on satisfying the need for profit will never truly achieve the higher financial success that is bred from self-fulfillment.

The external influences of economic, social, political, and cultural factors ultimately stimulate or discourage corporations in directing social responsibility policy and corporate citizenship (Jeurissen, 2004). Market conditions can also have a large impact on whether a company chooses to engage in the model. Different governing bodies may be more permissive of certain corporate behaviors, resulting in discordant behaviors on a global scale. Collective societies might encourage collective responsibility, but not cause much concern for individual responsibility. This psychological difference might serve to explain why Swedish society and corporations tend to engage in more socially responsible models, as evidenced by Midttun *et al*. (2006).

Tschopp (2005) writes a brief assessment of the governmental roles of the United States and of the European Union in interceding in the voluntary nature of CSR reporting. He concludes that Europe takes a more progressive approach toward CSR reporting. As a result, the CSR reports of the 1990s were used as "damage control" for companies such as Nike and Exxon. Positive or negative events can impact a company's willingness to integrate socially responsible practice (Weber, 2005). Nonetheless, at that time there were no real reporting standards for CSR reporting. This meant that the reports that were published tended to be a form of biased marketing and public relations, rather than a genuine display of action.

This follows a 2003 article in which he writes that "companies in the manufacturing, energy, and forestry industries use similar reporting techniques [to TBL] as a means of answering their critics." However, without guidelines or standards, the reporting of TBL represents little more than a marketing positioning technique.

Diller (1999:124-125) posits multiple arrangements for increasing CSR transparency. The first is a "privatized multilateral framework" that begins assessing enterprise performance in CSR. Second, she suggests reciprocity arrangements on a national level (for instance, the incorporation of CSR into bi-lateral trade deals). Third, she suggests intergovernmental guidelines on enterprise social policies, such as the OECD Guidelines on Multinational Enterprises. Fourth, she suggests a hybridized version of public and private participation through multilateral public regulation.

Environmental concerns have caused companies to focus internally on change, without deference to external, or independent, verification (Epstein, 1994). Frameworks for CSR reporting would not only provide companies with a guideline for current responsibilities, but also a projection for future problems.

David Zucker of public relations agency Porter Novelli defines cause-related marketing as “a long-term partnership between a non-profit group and a corporation that, unlike corporate philanthropy, is part of a coordinated marketing program (Higgins, 2002). This typically involves a three- to five-year commitment on the part of the sponsoring corporation. Thus, there would have to be a significant linkage between a corporation and a cause to encroach on another company’s cause.

Weber (2005) suggests that, even in the financial services industry, some companies choose to engage in socially responsible practice even when it is not a core function of the business. In spite of not being related to the core function, these businesses believe that the socially responsible practice would create a better image for the institutions.

Stakeholder theory says that managers should be considering the interests of all who are affected by a firm. This includes secondary stakeholder groups that have no contractual ties to an organization (Robins, 2005). Robins questions if moral responsibility nonetheless legitimizes CSR theory. Is there genuine fiduciary responsibility to secondary stakeholders without recourse to commercial obligations?

Perhaps not, but consumers may be skeptical toward a company's true motives for linking to a cause. Instead, it may be seen solely as a means to enhance sales, rather than genuine desire for social commitment (Barone *et al*., 2000). This often leads consumers to question why companies are attempting to persuade their purchasing behaviors. Thus, consumer attitudes toward a company may actually affect these purchasing behaviors. Individual stakeholders may tend to engage and discuss issues on a personal basis, even if they do not belong to any type of formal organization (Maignan *et al*., 2005). This interprets as a direct fiduciary responsibility to secondary stakeholders.

Midttun *et al.* (2006) establish four different groupings of Western European social models and rank them according to social corporatism and welfare state approaches (2006). These models are the Nordic states (Finland, Denmark, Norway, Sweden), the Anglo-Saxons (United Kingdom, United States, Ireland), the Mediterraneans (Spain, Italy, Portugal, Greece), and the continentals (Austria, Switzerland, Netherlands, Belgium, Germany, France).

According to Midttun *et al.*, the Nordic model pulls strongly toward social corporatism, while the continental and Mediterranean models are more toward the centre and Anglo-Saxon model is farthest from social corporatism and social political models. The split of these models presents obstacles for MNEs to advertise locally. Concepts of "going global, thinking local" would thus alter the cross-border approach to CSR embeddedness in marketing.

Harris (2000) suggests that in order to overcome the challenges of marketing to the EU, American firms band together similar to strategic business units, rather than as competitors. However, this would negate inter-firm competitive advantage. If companies compete with each other on global marketing, they should be competing on corporate social responsibility as well.

Luo & Donthu (2006) provide an extensive theory of valuing Marketing Communications Productivity (MCP). In their paper (2006: 71-72), they "define MCP as the optimally weighted ratio of marketing outputs (sales level, sales growth, and corporate reputation) to marketing communication expenditure (advertising media spending in broadcast, print, and outdoor and sales promotion expenditure)."

Though the authors recognize the influences of MCP as being curvilinear, they also show that higher research and development expenditures can increase MCP, which in turn increases the company's value. McGuire *et al*. (1988) suggest that firms with lower social responsibility practice tend to follow with lower returns on assets. Thus, effective marketing has the ability to enhance shareholder value. Empirical research by Singhapakdi *et al.* (1996) suggests an ability to gauge marketing perceptions of CSR.

With respect to CSR marketing, Maignan & Ferrell (2004) state that stakeholder motivation for CSR is twofold: 1) it enables the corporation to conform to instrumental norms and behaviors; and 2) it encourages moral behavior.

Murphy *et al*. (2005: 1050-51) essentially redefine the function of stakeholder relationship marketing as follows:

> Stakeholder relationship marketing involves creating, maintaining, and enhancing strong relationships with customer, employee, supplier, community, and shareholder stakeholders of a business with the goal of delivering long-term economic, social, and environmental value to all stakeholders in order to enhance sustainable business financial performance.

Hoeffler & Keller (2002) outlay six areas where corporations where CSR marketing can strengthen brand associations: 1) Building brand awareness; 2) Enhancing brand image; 3) Establishing brand credibility; 4) Evoking brand feelings; 5) Creating a sense of brand community; and, 6) Eliciting brand engagement. This mirrors Nelson's (1974) hierarchy-of-effects model.

The 2002 World Economic Forum identified four different self-interested reasons why businesses strive to be good corporate citizens: "to enhance their corporate and brand reputation; to attract good employees; to protect their license to operate; and to help compete for market position" (Robins, 2005: 108). While these reasons may not operate in altruistic circumstances, they nonetheless provide ample reason for business to socially engage with various stakeholders.

Newer definitions of "marketing" include the concept of managing not only customer relationships, but benefitting all stakeholders as well. This means that marketing must not be solely customer-oriented, but instead stakeholder-oriented as well (Maignan *et al*., 2005). Stakeholder-oriented initiatives should include, but not be limited to, labor, social, environmental, and corporate governance issues. With respect to the SA 8000 standard, Miles & Munilla (2005) effectively chart its impact on the marketing mix.

Trustworthiness in the minds of consumers is ultimately dependent on the nature of risk assumed by a corporation's actions. In unfavorable risk condition, the company that is perceived as overcoming those risks is often additionally perceived as more trustworthy (Aqueveque, 2005). Positive corporate reputations can help firms increase their access to capital with less effort (Dhir & Vinen, 2005).

2.4 Critique of Sources

Clearly formalizing a framework for CSR enables a corporation to maintain transparent communications. Maignan *et al*. (2005) discuss formalized CSR frameworks perhaps including endorsements for different social charters. Though this is a worthy proposition, an endorsement of principles does not necessarily require demonstration of adherence. Thus, companies must tread carefully by legitimizing framework formalization with actions.

The econometric analysis by Rennings *et al*. (2003) of 214 European corporations shows that the environmental and social impacts do not necessarily increase corporations' share prices. Their belief, with particular respect to environmental issues, is that regulation will have more effect on share price than voluntary sustainability measures. However, since data from these results was compiled between 1996 and 2001, there is no consideration of the American corporate accountability scandals and terrorist attacks in 2001.

Both of these events created significant impact on the increased relevancy of CSR as volume of literature on the subject has increased since that time. Nonetheless, much of the literature recognizes this increased CSR advocacy with respect to the United States more so than Western Europe. Is CSR a mere matter of codes of ethics and compliance or of contributions to society? East and West corporate philosophies have different outlooks, with Eastern firms approaching CSR from the former perspective (Robins, 2005).

In a paper on the expression of values by Swedish companies, Baldvinsdottir & Johnansson (2006:123) write that responsible values are “a norm that is supported by the stewardship management structure with its high level of commitment and dedication. When people violate the organizational citizenship behavior norm, others make strong reactions-both those who are directly affected and those who safeguard the norm.”

This is demonstrated of particular importance to a company such as H&M, which stakes its corporate reputation on being a responsible corporation. Key to this is its own vision of CSR illustrated in its 2005 Corporate Social Responsibility Report, in which it acknowledges the cause and effect relationship between earning stakeholders’ trust and upholding human rights and contributing to sustainable development. Its corporate memberships in various CSR/sustainable development organizations around the world have earned it constituency status on various sustainability indexes such as FTSE4Good and Dow Jones Sustainability Index.

Engaging its stakeholders on a multi-issue front has promoted the "stewardship" that has become expected of Swedish corporations.

In addition, there is no clear outlook on the future of CSR in marketing communications, particularly as corporate engagements are completely voluntary. One of the most significant contributions to the list of CSR marketing communications tools has been the CSR (or even Sustainable Business) annual report. Yet Laufer (2003) writes that with no mandatory external verification, U.S. and European CSR reporting tends to have a "gloss," acting more as a public relations and brand imaging tool. This has broader implications for SRI investors who seek thorough and accurate information when performing due diligence on a corporation's CSR.

Laufer's point is and should be well-considered. The voluntary nature of CSR reporting as a marketing tool has opened itself to an array of problems. Not the least of these problems is the dilemma of whether or not CSR reporting should be regulated.

Tschopp (2003) believes that the change to TBL reporting would not be that difficult, since companies are already beholden to federal regulatory agencies in producing the required data. As a result, this data would need to be independently verified by an "external source." Tschopp also acknowledges that the GRI would be a suitable set of guidelines for TBL reporting, but sees a need for the Securities and Exchange Commission (SEC) to take its own initiative to create such reporting procedures.

Miles & Munilla (2004) suggest that any form of certification standards (and we could likely assume mandatory regulatory reporting as well) would impose a drastic burden cost on SMEs, while nonetheless allowing them to manage their CSR performance reputation. Just as quality standards are measured by ISO to ensure consistency in the quality of materials, products, processes, and services, so needs to be CSR standards. This would create transparent and measurable outcomes for business that are looking to turn a socially beneficial profit (Charles & Hill, 2004).

Businesses are increasingly turning to CSR as a means of incorporating the concerns of all stakeholders. This is important since economics are shaping the bottom line while new forms of media communications are increasing the pressure for corporations to become transparent. The higher the integration of CSR approaches, the more likely there will be better brand equity, better CSR practice and ultimately, a competitive advantage (Chahal & Sharma, 2006).

With respect to marketing, a firm's positive stakeholder engagement is highly relevant to increased brand equity. For instance, the notion that the Internet can be an effective tool of engagement is not unreasonable. Verschoor (2006) writes that consumers believe the Internet is a more reliable, unfiltered, unedited view of information. As a result, consumers also tend to use the Internet to engage companies in participating in responsible behavior.

Epstein (1994) faults CSR reporting as a public relations tool, rather than a forbearing instrument of change. In America, the "believer" of advertising tends to be lower income and less educated than the "skeptic," who is generally of middle income or higher and better educated. However, this latter group of people has the greatest potential for consumerist orientation (Wilson, 1973).

According to a Daniel Starch & Staff study on consumer attitudes, 59% of the respondents felt that “for most products, there are no differences between brands” (Wilson, 1973). This lends consistent support to the greater potential that CSR can have on brand differentiation and positioning.

This also means that Jeurissen’s (2004) notion of “citizenship” becomes highly relevant to the corporate identity. A “citizen” denotes an entity that is a member of the social contract. In the case of corporate citizens, this is a social role which includes a social compact of business, of ethics, and of principle. Organizations seek to homogenize themselves in “mimesis, coercion, and the spread of norms” (Lammers, 2003). This homogenization is consistent with the notion of corporate ethoses being incorporated and communicated through out vertical and horizontal structures of a corporation.

Traditionally, most social marketing has been from nonprofit organizations (Bloom *et al.*, 1995). But it is clear that marketing has the ability to benefit corporate interest and raise TBL. Corporate philanthropy and cause-related marketing have generated about $700 million from U.S. corporations (Higgins, 2002).

Corporations will start (and indeed, have started) to realize that practicing CSR will become a survival tactic, even if said corporations are not mandated by any other institution to do so (Tuzzolino & Armandi, 1981). As the corporation plays a more integral part of societal decisions, the decisions it makes also creates a wide-range of societal impacts. The successes of corporations will ultimately depend on their crucial ability to balance these impacts.

3. Applied Findings

This chapter studies CSR marketing communications of several American and Western European MNEs spanning four different industries.

3.1 Methodology

The reasons for the author's selection of the industries discussed in this section are tri-fold: 1) personal interest in certain socially responsible corporations; 2) certain of the industries in the same geographic region have one or more than one comparable socially responsible business models; and, 3) certain of the corporations discussed are large in scale but not necessarily visible on a multinational scope.

While these applied findings dictated a greater sensitivity to marketing communications, it was not always possible to amass a complete repository of CSR marketing media. As discussed above, geographic limitations created an impractical barrier to obtaining all marketing product generated by these corporations. Media was culled directly from retail operations, other was found in popular media (including magazines and newspapers), while other was found through direct marketing material.

3.1.1 Greenwashing Marketing

Is it possible for a company to advertise its socially responsible practices in a reasonable manner while reflecting positively on its brand image as well? While it is important to brand equity that companies advertise their socially responsible practices, there should be no question of the importance that the advertising message itself is non-hypocritically consistent with corporate actions. As the digital age breeds accountability and transparency, so it is that such advertisements can serve to bolster a company's image. Proponents of advertising socially responsible practices would agree that a company's ability to maintain a consistent advertising message, while continuing to incorporate responsible business practice only serves to increase the brand's value and brand equity.

Of all the ESG (Environmental, Social, and Governance) issues, the environment has had the most relevant impact on corporate social responsibility. In recent years, the spate of advertisements burnishing corporations' environmental credentials has become known as "greenwashing." This term, first brought to prominence by Mother Jones magazine (Beers *et al*., 1991) set out to describe inconsistencies between marketing and advertising initiatives and the incongruous actions performed by the offending companies. There is often errant discord between advertising messages and actions, potentially leading towards a consumer sense of skepticism and distrust and damaging brand equity. While Milton Friedman (1970) suggested the responsibility of business is to maximize profits and nothing else, his statement oversimplifies the ethical ramifications of business.

3.1.2 Distrusting attitudes toward CSR marketing

The ability for a company to successfully initiate greenwash advertising should logically progress toward the increase in sales. This simplifies a respective cause and effect relationship between promoting positive corporate goodwill and generating revenues. A seemingly prevalent view among greenwashing companies is that, regardless of a company's actual practice, nebulous advertisement of possible practice is more sales-effective.

Perhaps two of the biggest offenders in the advertising war of attrition are petroleum giants BP and Shell. Both companies are members of the American lobby groups American Petroleum Institute and the Business Roundtable—organizations that are involved in the political advocacy of public policy goals on behalf of petroleum companies (American Petroleum Institute, 2007). According to the Corporate Europe Observatory, the lobbies "actively oppose the ratification of the Kyoto Protocol and wage multi-million dollar disinformation campaigns about climate change" (Corporate Europe Observatory, 2000:21). So what does this say about petrol companies and their advertising methods?

It is quite clear that the perceived attitudes of the oil industry have generally been unfavorable. In research commissioned by the Chevron Corporation in 1984, it was found that over a sixteen-year time span, public opinion disfavored the industry (Quelch, 1993). This resulted in the "People Do" advertising campaign that lasted from 1986-1988. Chevron tracked trends toward environmentalism and protection of endangered species. The campaign managed to stem the negative tide of public opinion by convincing enough people of Chevron's newfound 'environmentalism.' Its success proved that advertising through mass media had a vast impact on brand awareness.

The oil industry's brand equity once again stood on trial in 2006, when political instability leading to spikes in oil prices coincided with a 'neo-environmentalist' revivalism, headed by former United States Vice-President Al Gore. Through a successful documentary and book, Mr. Gore encouraged a debate on global warming and climate change. In response to growing pressure, Chevron released its "Real Issues" integrated marketing campaign, targeted at "influentials who are involved with leading the energy debate" (Chevron Corporation, 2005). By 2007, the company started broadening the targeted scope of the campaign though a series of television advertisements in a new integrated global advertising campaign called the "Power of Human Energy" (Chevron Corporation, 2007).

Both the "People Do," "Real Issues," and "Power of Human Energy" campaigns have done well to assure the public that corporate behavior is not harmful. Moreover, "capitalism requires that people feel as though their consumption is not harmful to communities, the environment, or themselves" (Best & Nocella, 2006: 117). Since it follows that corporations are responsible for consumption of goods more oft than not, then the transitive property also follows that corporate advertising has potential for consumers' positive feeling of self. An article in *BusinessWeek* states that “the corporate responsibility field is littered with lofty intentions that don’t pay off” (Engardio *et al*., 2007).

Solman (2008) cites BP’s work with Ogilvy & Mather as a key example of the positive public relations work that companies have used to target consumer opinion. If this is the case, then companies can make an easier claim that their advertising campaigns are aligned with their “lofty intentions.” According to Solman, BP’s sales rose from $192 billion in 2004 to $266 billion in 2006. The net effect of BP’s “Beyond Petroleum” campaign has also bolstered the company’s “green” perceptions without actually making relevant its “green” credentials. In fact, a 2005 BP press release stated $1.8 billion of alternative energy investment over three years, and $8 billion over ten years. Revenue estimates were around $6 billion a year within a decade, suggesting that BP’s profitability core is not alternative energy so much as it is hydrocarbons (BP, 2005).

In ranking the leaders in the 2007 ImagePower Green Brands Survey, Russ Mayer, Chief Strategy Officer of Landor Associates says, “consumers are demanding more green products and business practices, but the challenge will be for companies to effectively navigate through this evolving consumer landscape to ensure their sustainability practices are seen as more than just lip service” (Landor Associates, 2007). While Mr. Mayer is correct in his statement, the irony that both Ogilvy & Mather and Landor are owned by WPP is striking.

Jeong (2004) concludes that there is an inherent linkage between advertising and brand equity. These relational market-based assets also increase shareholder value. The “Beyond Petroleum” campaign serves as a good *clin d’œil* in enhancing brand awareness and image, while hypocritically boosting brand equity as well. It thus stands to reason that companies who ‘greenwash’ can still maintain these relational market-based assets to increase shareholder value while treating ESG problems as a proverbial ‘deck of cards.’ Even with respect to CSR annual reports, “greenwashing” can take place by confusion, fronting, and posturing (Laufer, 2003).

Stakeholder interests and management norms have the capacity to overlap creating better opportunity for stakeholders to influence the corporation’s responsibilities. Stakeholders also have the ability to influence actions through provision or withdrawal of resources necessary to the firm. Alternately, it may be of importance to the firm’s mission to exceed stakeholder expectations (Maignan *et al.*, 2005).

3.1.3 Creating positive attitudes through CSR marketing

Although the hypocrisies of advertising socially responsible practices through greenwash are heavily trended toward the petroleum industry, there are enough companies whose advertising and marketing communications are consistent with their social actions. Of particular interest are the footwear and apparel industries, which have turned around negative perceptions following labor abuse allegations during the 1990s. Companies were forced not only to act on social responsibility, but to demonstrate this turnaround as well. They too, experience a high level of brand equity, bolstered by positive associations of responsible behavior and brand imaging.

Gap's use of the (PRODUCT) RED campaign has sent 50% of net profits from the sale of (RED) items to The Global Fund for AIDS, Malaria, and Tuberculosis while at the same time maintaining a stable revenue stream (Nixon, 2008). Gap's first social responsibility report, released in 2004, started to benchmark labor standards at its producers' factories.

The initial Gap (PRODUCT) RED advertising campaign (Gap Inc., 2006) featured a plethora of celebrities linked with the cause of prevention of AIDS, such as Steven Spielberg, Jennifer Garner, Chris Rock, Penelope Cruz, Christy Turlington, Don Cheadle, Mary J. Blige, Dakota Fanning and Apolo Ohno. In late 2007, Gap increased its celebrity endorsements by adding Anne Hathaway, John Legend, Wyclef Jean, Terrence Howard, Natalie Maines and Abigail Breslin (Gap Inc., 2007). These photographs for the one-year anniversary of the Gap (PRODUCT) RED campaign were taken by celebrity photographer Annie Liebowitz, in order to bolster widespread assimilation by early fashion adopters. According to (PRODUCT) RED, in one year, IMCs had "driven awareness of the brand to 20% of the U.S. population" and raised over $20 million to The Global Fund (Gap Inc., 2007).

Yet, the (PRODUCT) RED brand is separate from its partners' brands. Instead of acting as an intermediary for its partners to send a check to The Global Fund, RED functions as a branding mechanism that its partners pay to use. Revenue apportionments from RED sales get sent directly from the partner to The Global Fund. Although (PRODUCT) RED won't disclose a breakdown of RED contributions by partner, the net figures suggest that there is a correlation between positive brand awareness and socially responsible business practice.

British apparel and convenience goods company Marks & Spencer is also among companies with social responsibility practices established through annual CSR reporting. M&S is spending £200 million on an “eco-plan” to make its retail chain carbon-neutral. Fiona Dungay (2007) suggests that “Plan A” campaign will have a “knock-on” effect, encouraging other companies to take similar action. Already, the store has moved to licensing some fair-trade and organic products.

At the same time, revenues have increased from £7.5 billion in 2005 to £8.6 billion in 2007 (Marks and Spencer, 2008). This dynamic paradigm shift in European approaches toward genuine social stewardship is rapidly reflected in advertising. As is evident by revenue figures, social responsibility can seem to have a positive impact on revenues (even though there are no empirical studies that directly correlate the brand equity impact of social responsibility with revenue recognition).

3.1.4 Linking core competencies, social responsibility, and advertising

The ability for a company to bolster its credibility in advertising socially responsible practice lies particularly in relation to capitalizing on core competencies. Co-operative Financial Services is a British bank that specializes in practicing social responsibility. The company not only advocates socially responsible practice on its web site, but uses its retail banking outlets for advertising.

CFS's advertising incorporates consumer tips for environmentally beneficial practice, while also touting its commitment to socially responsible investing—a concept that tends to run contradictory to Friedman's (1970) ideology. The company also touts itself as "The only UK high street bank with a consumer-led Ethical Policy" (Co-operative Financial Services, 2008). Total shareholder return decreased from £621.4 million in 2006 to £551.9 in 2007 (due in particular to "exceptional weather events" impacting the insurance industry), but long-term business net revenues increased tenfold from £30.6 million to £310.2 million. Advertising genuinely socially responsible practice may not necessarily increase corporate performance, but it solidifies relational market-based assets by positive social effect.

When advertising fosters the relationship between socially responsible practice and brand equity, it provides companies with the ability to leverage said equity in unfavorable circumstances, without fear of skepticism. McNeil Consumer Healthcare, makers of Tylenol and a division of Johnson and Johnson, was able to deflect bad publicity in 1982 from deliberately cyanide-tainted Tylenol pills. Johnson and Johnson's swift action recalled $100 million in product, but managed to salvage about 92% of lost market share.

Skepticism toward social responsibility as being "unaltruistic" may be warranted, but for brands such as Tylenol, highly-valued brand equity allows for skillful maneuvering when competing with private-label brands. The pet food recalls of 2007 suggested that brand equity might not escape poor quality controls of products made in foreign countries, particularly for private-label brands. However, brand awareness of Tylenol goes beyond its chemical name, acetaminophen.

A 2008 integrated marketing campaign offers examples of simple ways by which consumers can improve their health. Ads were posted throughout New York in places ranging from pay-phone boxes to subway cars. Not only does the campaign maintain brand awareness for Tylenol, but it simultaneously deflects from the "profit motive" that the proliferation of generic medications inhibits. The ads, featuring health tips such as "If you're sick, take a sick day" and "Don't slouch. Poor posture can cause a headache," resonate with the brand's core competency and are "signed" in the fashion of a correspondence, "Feel Better, Tylenol."

The health tips seemingly contravene a logic that would dictate a pharmaceutical company would not encourage simple changes in a person's behavior. Yet Hurwitz & Caves (1988) suggest that pharmaceuticals use the period of patent exclusivity to build goodwill and gain a sales advantage over generic medication once those patents are expired. This leads to a reasonable conclusion that advertising of corporate goodwill and of core competencies has a significant impact on maintaining sales when the threat of rivalries exists.

4. Case Findings

This chapter uses CSR/TBL reporting from three industries as the basis of studying stakeholder engagement. The case studies are a benchmark to establish reporting as a marketing communications tool for stakeholder engagement.

4.1 Methodology

The reasons for the author's selection of the companies discussed in this section are tri-fold: 1) the corporations represented are multinational in nature, suggesting their scope of business operates in multiple geographic spheres of influence; 2) the corporations represented have large industry exposure in terms of market capitalization, thus, potentially possessing labor and capital necessary to effectively communicate CSR; and, 3) each selected industry (consumer goods, retail, and sporting goods/apparel) contains one American-based corporation and an analogous European counterpart.

CSR reports are generally of a non-financial nature (Zambon & Del Bello, 2005). Several methods are available for corporations to use in reporting their socially responsible practice. The ISEA (Institute of Social and Ethical Accountability) AA1000S standard ensures the credibility of results. The Global Reporting Initiative (GRI) is namely for environmental issues, although in recent years, this framework has expanded to include social issues as well. SA8000 standard is based on international human rights norms, such as the United Nations Universal Declaration of Human Rights. ISO14001 is another environmental standard that specifies requirements for environmental policy (Tschopp, 2005).

In order for a corporation to be deemed "socially responsible" or "sustainable," it must provide some application context as to which stakeholders it is targeting (Zambon & Del Bello, 2005). Reporting shows a company's influence on conceptualizing and implementing processes (Zambon & Del Bello, 2005). This makes for a better assessment of a company's direction in the marketing process, from idea creation, to product generation, and sale of product or service. Essentially, the CSR report should then be considered a marketing tool in and of itself.

Due to the voluntary nature of CSR and CSR/TBL reporting, corporations have liberty in choosing the desired framework of their reports—if they choose to use a framework. Reports were obtained from the companies' official web sites, and were most recent as of 21 November 2007.

Each case followed with a brief background of the American-based company, then a brief assessment of company's CSR/sustainability report. The reports were analyzed on an individual basis according to multiple facets—most prominently, the three social dimensions: environmental, social, and governance (often referred to in the social investment industry as "ESG"). The process was repeated for the CSR/sustainability report for the Western European-based company. Once the analysis of the companies was completed on an individual basis, they were compared and contrasted both in substance and in style of report content.

4.2 Procter & Gamble/Unilever

4.2.1 Procter & Gamble

Procter & Gamble (P&G) specializes in consumer and household goods and personal care products and is headquartered in Cincinnati, Ohio, United States. Its operations commenced in 1837 as a soap-making company (Procter & Gamble, 2007). It is listed on both the New York and Paris stock exchanges with a market capitalization over $200 billion. It operates in 80 countries and its products are sold in over 180 countries (Procter & Gamble, 2006). The fiscal year starts July 1 and ends the following year on June 30.

The Procter & Gamble 2006 report is entitled “2006 Global Sustainability and Philanthropy Report.” As of 21 November 2007, the report was available for download in the Adobe Acrobat format through the company’s web site at www.pg.com/sr. This format allows for the hyperlinking of content so that users can navigate throughout the report via a personal computer, as well as connect to specific parts of the company’s web site via the internet. The report is available in English-language only and is 88 pages in length, including cover page, body, five index pages according to the GRI framework, and contact page.

In 2005, the company merged with Gillette and thus, started a merger of sustainability and philanthropy. It also bases itself on three pillars of sustainable development: “economic development, environmental protection and social responsibility” (Procter & Gamble, 2006). According to the above discussions of TBL, these “three pillars” may be interpreted as the same trio of TBL elements.

Thirteen pages are spent profiling the company. In this first section, the company outlines its “equity.” This equity is the result of “purpose,” “value,” and “principles,” as well as a fourth dimension unique to P&G. This aspect of P&G’s business is called “success drivers” and looks at internal influences on how the company succeeds in business environments. According to the report, the company’s competitive advantage—"the advantage that's hardest for competitors to duplicate"—is its people.

As a multinational corporation, P&G is divided among three Global Business Units: beauty and health, household care, and Gillette. These units are then split further into Market Development Operations, which develop localized marketing plans that are tailored to local markets, and Global Business Services, which provide the company's global infrastructure. P&G also releases the names, cities, countries, and GBU owners of its 144 plant operations. It does not, however list the specific addresses or phone numbers of these plants.

Most relevant to this paper's discussion of stakeholder engagement is how P&G comes to define a stakeholder.

P&G defines a stakeholder as "anyone who has an interest in or interaction with P&G" (Procter & Gamble, 2006). This definition varies slightly from the traditional definition of 'stakeholder,' listed above. Unlike Freeman's definition of a stakeholder, the P&G definition does not directly tie the notion of engagement into the achievement of the organization's objective. This definition thus leaves ambiguous the relationship between those who do not use P&G's branded products and the organization's objective. The outcome of the P&G definition is a perceived list of stakeholders including consumers, stockholders, business partners, industry associations, governments, NGOs, and news media. These stakeholders are also listed as "external stakeholders."

The sustainability report then provides material financial information that is regularly provided in a company's annual report. This is also consistent with the financial aspect of TBL reporting. Between 2005 and 2006, the company's net sales rose from $56.741 to $68.222 billion, also increasing basic earnings per share from $2.70 to $2.79. This suggests the company is fundamentally profitable.

The financial information section also includes a limited list of awards and honors which have been bestowed upon the company. The report provides information regarding the company's listing on the Dow Jones Sustainability Index (DJSI). This includes an excerpt from the Dow Jones regarding why P&G is a "Super Sector Leader" in the personal and household goods sector. However, since the DJSI is only limited to financial performance of sustainable companies, this dictates P&G as a top financial performer, yet does not necessarily indicate the company's level of sustainability output.

Finally, this section discusses acquisitions, divestitures, record of shareholder numbers, and company contact information. In the 2006 Sustainability and Philanthropy Report, the company describes a major acquisition of the Gillette Company. No mention has been made of labor redeployment base on this acquisition. The same can be said in reference to the company's divestiture policy.

The second major portion of the report's body contains information on P&G's structure and governance. Although the company reports to embracing its "Purpose, Values and Principles," it claims its brand and brand equity is best characterized by its employees. Key to corporate transparency is the ability for financial statements to find oversight by the board of directors, to use internal controls, and to require reports audited by an independent auditor. However, this last condition is a requirement of all businesses listed on American-based stock exchanges, falling under regulation by Securities and Exchange Commission mandates. In fact, much of the portion pertaining to corporate governance and management's responsibility is not unlike that in a plethora of corporate annual reports. This is discussed this in greater depth below.

This section then continues to discuss stakeholder engagement, without defining exactly what stakeholder engagement is, or the company's strategy on engaging with its stakeholders. Attempts to pursue dialog with Procter & Gamble by this paper's author to ascertain this strategy were rebuffed by P&G.

The stakeholder engagement section gives brief descriptions of ways in which P&G works with communities, multi-leveled authorities, and NGOs. In addition to listing the different industry and business associations of which it is a member, it uses three different cases to highlight ways by which it positively leverages brand identity in stakeholder concerns. In specific, the case pertaining to chemical management highlights how responsible action saves the company money.

The crux of ESG reporting is located in the third major portion of the report, which pertains to performance indicators. This is subdivided into sections on "Economic Development," "Environmental Protection," and "Social Responsibility." The introduction to this section notably states (Procter & Gamble, 2006: 26):

> P&G is particularly well-positioned to [improve the quality of people's daily lives around the world, at all income levels] because we are in touch daily with the needs of the world's consumers.

By this statement alone, P&G has outlined the potential extent to which its stakeholder communications affect ESG issues. As a consumer and household goods and personal care products company whose items are sold on a global distribution network, P&G increases uses this statement to point out the increased probability of CSR relevancy. Thus, this section functions as the cornerstone of P&G's CSR report.

P&G is a founding member of the Global Sullivan Principles, along with 188 other charter endorsers (Leon H. Sullivan Foundation, 2005). These principles provide voluntary guidance to their endorsers, however their nature is still voluntary. The Global Sullivan Principles also seek corporate transparency that demonstrates "publicly" commitment to implementation. Thus, P&G publicly states that it has revised its own policies to reflect synchronicity with the Global Sullivan Principles.

The company chose to focus on two specific areas for implementation of sustainable business strategy: water and health and hygiene. It thus presents a related case study of how it uses the promotional mix to improve its sustainable business model. This case references the ability for P&G's "three pillars" to positively impact sustainability.

The report also presents a case study in relation to the coffee industry and the economic considerations afforded to coffee farmers. P&G has attempted a systemic approach to economic development of the industry. A second case study provides an example of raising internal awareness of the need for clean drinking water in countries such as Uganda. Ultimately the company worked with NGOs and voluntary employee donations in providing P&G branded water purifiers to a Ugandan children's' hospital.

Environmental protection at P&G is largely the result of product and packaging innovation. This includes ISO 14001:2004 and EU Eco-Management and Auditing Scheme (EMAS) certification of its Fater plant in Italy. The report states input material conversion of 96.19% to finished product with relatively low-hazard output.

In efforts to reduce detergent impact, P&G reports a localized campaign to use more concentrated detergents in smaller packages in Central and Western Europe. Such a campaign has unfolded over eight years and required the brand to work with stakeholders such as the *Association Internationale de la Savonnerie, de la Détergence et des Produits d'Entretien* (A.I.S.E.) to change Western Europeans' perceptions toward physically using less product than normal. After nine years, P&G efforts decreased detergent power by 36% and packaging by 23%.

Of additional impact to P&G's 2006 report is the acquisition of Gillette, of which environmental reporting has increased the company's impact. For instance, the company reports that, without the acquisition, energy eco-efficiency would be 14 points higher in 2006. Future reports should indicate how environmental sustainability becomes an increased concern of the Gillette business unit.

P&G issues another case study on its restoration of 20,000 acres of wetlands, 7,000 miles of waterways, and education of students on aquatic conservation. This was in conjunction with the Corporate Wetlands Restoration Project, a partnership between the Gillette Company, Massachusetts Executive Office of Environmental Affairs, and the U.S. Environmental Protection Agency (Coastal America, 2007).

The company recognizes the voluntary "stepping up" of energy-efficiency, but also states meeting in 2006 a goal to reduce greenhouse emissions by 2012. Overall, P&G shows increased environmental improvements on a number of metrics.

4.2.2 Unilever

Unilever specializes in consumer and personal care products as well as food and is the parent company of its two headquarters: Rotterdam, Netherlands (Unilever N.V.) and London, UK (Unilever PLC). This unique operational arrangement was the result of a 1930 merger between British soap makers, Lever Brothers, and Dutch margarine makers, *Margarine Unie*. This created two separate legal entities that maintain unity and governance procedures and regulate the rights of both N.V. and PLC shareholders. This includes a one-for-one share equivalence between both sets of shareholders.

Unilever is listed on both the New York and London stock exchanges with a market capitalization over $55 billion. It operates in over 100 countries and its products are sold in over 150 countries. Its fiscal year starts July 1 and ends the following year on June 30.

The Unilever 2006 report is entitled “Sustainable Development Report 2006.” As of 21 November 2007, the report was available for download in the Adobe Acrobat format through the company’s web site at http://www.unilever.com/ourvalues/environment-society. This format allows for the hyperlinking of content so that users can navigate throughout the report via a personal computer, as well as connect to specific parts of the company’s web site via the internet[1]. The report is available in English language only and is 34 pages in length, including cover page, body, and contact page. Unilever also maintains that its principle means of reporting is through its web site, where there is further depth upon the featured report.

The first section of the report focuses is entitled “Making progress on the big issues” and spends twenty-one pages highlighting some of the company’s key facts and figures. These include the €906 million invested in research and development (R&D) and the €5.2 billion invested in advertising and promotions. There is also a table that depicts which the degree to which it has control and influence over the various aspects of its business.

This section also discusses some of the steps that Unilever has taken to improve its company through macrocosmic initiatives. For instance, a section on nutrition describes the Nutrition Enhancement Program, which has taken initiatives such as pushing a 10% reduction of sugar in European *Lipton* ready-to-drink teas and a 10% reduction of salt in *Lipton* side dishes in the United States. According to the

[1] The version used by the author did not contain proper hyperlinking where indicated in the Unilever report.

report, Unilever has also pushed for healthy nutrition labeling. Unilever has also pushed its external stakeholder engagement model forward, teaming with Oxfam GB and Oxfam Netherlands to assess poverty reduction in Indonesia.

The report's second major section reports on ways that Unilever has communicated CSR to its stakeholders. Unilever recognizes its role in advertising its products in a more responsible manner. The Dove "Campaign for Real Beauty" attempted to break self-image stereotypes among women, in particular through its award-winning "Evolution" television commercial. Unilever has also restricted marketing to children under the age of twelve-years-old. This coincides with public perceptions that regard children as more vulnerable to product advertising (Preston, 2005).

The company has also put together a Business Partner Code—based on its own Code of Business Principles—which would require its suppliers to adhere to social, environmental, and labor standards. Unilever has also looked into gaining assurance by ISO14001 and SA8000 standards as well, but has not had the necessary reporting-in-full from all its suppliers.

Nonetheless, independent assurance of the report was provided by Deloitte & Touche LLP under the International Standard on Assurance Engagements (IASE) 3000. Following the assurance review, the report provides some charts depicting the company's reduction of environmental footprint and one- and five-year emissions targets.

4.2.3 Case Findings

The case for financial oversight, independent board of directors, and disclosure of executive compensation has been increasingly necessary since the collapse of Worldcom, Tyco, and Enron. Shareholders and other non-financial stakeholders demonstrated concern and affect by the companies' financial losses that were the result of acts duly beneficial to the board members.

The CSR/Sustainability reports for both companies offer differences that vary from the deep, to the superficial. P&G has demonstrated more of a move to developing sustainable products, while Unilever seemingly shifts its actual business model to encouraging change in consumer behavior (hygiene and nutrition). Both companies promote consumer demand for economic development. The reports also demonstrate environmental innovation and packaging reductions for both companies.

However, at question is whether the significant gap in report lengths has relevance to the message that the companies are communicating. In this case, quantity may not necessarily supersede quality. Unilever has relegated many of the case studies to its web site, as opposed including them in the report itself. In contrast, P&G has attempted to include more material in its report, as well as follow the GRI reporting format. What P&G adds to its report in terms of quantity of material disclosed, it lacks in failing to secure independent assurance, thus weakening the credibility of the report document. At the least, the Unilever report has been independently assured, but still holds room for improvement.

As an American company, P&G's external stakeholders are significantly different from Unilever's stakeholders, who are traditionally more European-based. Yet the role of globalization in fostering CSR models has been key to stakeholder engagement. Both P&G and Unilever offer similar product lines across the world (and directly compete against each other in some markets), however their approaches to CSR are unique to their home territories.

4.3 Wal-Mart/Carrefour

4.3.1 Wal-Mart

Wal-Mart specializes in retail distribution of goods and service and is headquartered in Bentonville, Arkansas, United States. Its operations commenced in 1962 when founder Sam Walton opened a discount department store. Today, it is listed on the New York Stock Exchange with a market capitalization nearly $180 billion. It operates 5,740 stores in 16 countries and is the world's largest public corporation by revenue. The fiscal year starts February 1 and ends on January 31.

The Wal-Mart 2006 report is entitled "Sustainability Progress to Date 2007-2008." As of 21 November 2007, the report was available in interactive form and for download in the Adobe Acrobat format through the company's web site at http://walmartstores.com/Sustainability. The report is available in English language only and is 59 pages in length, including cover page and body.

According to Wal-Mart Chief Executive Officer H. Lee Scott, the company's report is the significant result of its experiences helping local communities following the Hurricane Katrina aftermath of 2005. At that point, the company faced a turnaround in its corporate agenda in attempting to reconcile a renowned "Everyday Low Price" strategy with sustainable business practice. Wal-Mart's report is not an official sustainability report, but an interim progress report of how the company is focusing its environmental goals.

The report is broken into four sections: 1) Company; 2) Community; 3) Associates; and, 4) Environment. The first section contains some of Wal-Mart's initial benchmark key performance indicators (KPI) and information on the company's corporate governance model. The second section contains information on Wal-Mart's community involvement programs—including lists of corporate contributions—and further information on the company's ethical sourcing report. This includes some of the key figures measuring progress in company audits of suppliers.

The third section of the report focuses on the company's challenges toward improving its own workforce. The Personal Sustainability Project (PSP) was an internal, voluntary program that allowed Wal-Mart associates to improve their health and environmental sustainability. This section of the report on Associates also focuses on health care and workplace diversity with several key reports on the company's diversity.

Lastly, Wal-Mart redefines its environmental goals to be 100 percent supplied by renewable energy, to create zero waste, and to sell sustainable goods. The company puts forth a commitment to invest $500 million per year to reach these goals. Wal-Mart also puts forth several of its environmental emissions KPIs and describes ways in which it hopes to impact its Sustainable Value Networks to reduce their environmental footprints.

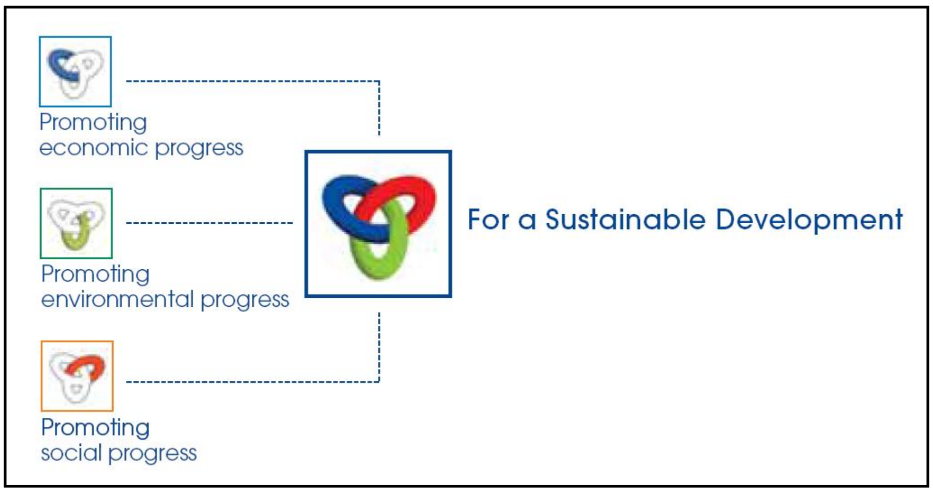
Wal-Mart's sustainability report does not have independent assurance, nor internal auditing. The various sections of the report are "owned" by different executives in the company. The report does not follow any established reporting framework, nor does it demonstrate how it has obtained any figures therein.

4.3.2 Carrefour

Carrefour specializes in retail distribution of goods and services and is headquartered in Levallois-Perret, France. Its operations commenced in 1959 and its first store supermarket opened in the following year (Groupe Carrefour, 2006). It is listed on the Euronext Paris stock exchange with a market capitalization of over €35 billion. It operates 12,547 stores in 29 countries. The fiscal year starts January 1 and ends on December 31.

The Carrefour 2006 report is entitled "2006 Sustainability Report." As of 21 November 2007, the report was available for download in the Adobe Acrobat format through the company's web site at http://www.carrefour.com/cdc/responsible-commerce/sustainibility-report. The report is available in English- and French-language versions and is 82 pages in length, including cover and end pages. The company states that "in the event of any discrepancy between the different versions, the French version will prevail." For the purpose of this paper, only the English-language version will be reviewed.

In order to demonstrate Carrefour's TBL approach, the company created a tri-colored, tri-pointed logo represented below.



"For a Sustainable Development" Carrefour Pictogram

Carrefour's report is broken up into three major segments: 1) Sustainable Development as corporate strategy; 2) Sustainable Development day-to-day; and, 3) Evaluating overall performance.

In the first section of the report, the company outlines ways it integrates sustainability into its overarching strategy. This includes hosting an annual Stakeholders Consultation Meeting, as well as launching private label, sustainable foods. In 1992, Carrefour introduced its *Filiére Qualité* brand, followed by its

Organic brand in 1997, its Responsible Fishing line in 2005, and its *AGIR* label in 2006.

This section also combines a map with the Carrefour "For a Sustainable Development" pictogram to visually demonstrate where the company's economic, social, and environmental responsibilities are placed along its supply chain. This provides visual representation of where Carrefour views itself relative to local communities. In addition, Carrefour has adhered to the United Nations Global Compact, outlying a universal commitment to responsible business.

In its day-to-day operations, Carrefour has taken a self-assessed Scorecard approach to developing and strengthening its initiatives. The report uses brief case study sidebars to illustrate the group's innovations in "choice, quality, and price." For instance, in its native France, the group launched a "Price Alert Line," by which customers can dial '3235' to alert Carrefour of a competitor's lower price and Carrefour will move to align to that price within 24 hours. The innovations of Carrefour's private labels have also enabled the group to source local produce and dialogue with SME suppliers.

This second section of the report is divided among economic, social, and environmental facets to the company's operations, and is color-coded accordingly through each sub-section of the day-to-day operations. The first sub-section on economic challenges focuses on nutrition and responsible products. The second sub-section on social challenges focuses on diversity within the company and on social audits. The third sub-section on environmental challenges focuses on climate change and sustainable construction.

The report follows with twenty pages of performance evaluations. Carrefour submits its performance to a variety of ratings agencies and SRI investors and index groups. After breaking down some of the group's sustainability practices by region and country, the report follows with several of the group's KPIs in a variety of economic, social, and environmental facets.

The Carrefour report is also cross-referenced according to the GRI framework, the UN Global Compact Principles, the OECD Principles, and Article 116 of France's New Economic Regulations. The report was audited internally by Carrefour's Internal Audit Department and externally by KPMG S.A.

4.3.3 Case Findings

As with the previous case, the CSR/Sustainability reports for both Wal-Mart and Carrefour depict a varied approach to using reporting as a marketing communications tool for stakeholder engagement. This becomes particularly notable when viewed with regard to entrenched responsibility for companies to offer CSR/sustainability reporting.

Wal-Mart has long been viewed as a leader in corporate opaqueness, disclosing even the bare reporting minimum in its financial statements (Fishman, 2006). In stark contrast, Carrefour is required by Article 116 of France's *Nouvelles Régulations Economiques* of 2001 to disclose certain economic, social, and environmental impacts. This is synonymous with the institutionalization of TBL reporting in France and thus, requires major French companies to include such reporting with annual reports (Egan *et al*., 2003).

In certain respects, this forces Carrefour to tighten its stakeholder engagement models as the company improves upon its KPIs. Wal-Mart has no mandatory obligation to engage with its stakeholders and does not list its suppliers, nor the external stakeholders it engages with. Although the Wal-Mart report is touted as a "progress report" it remains to be seen whether or not the company will release a full sustainability report in the future. Not doing so has the potential to widen Wal-Mart's credibility gap—particularly among the socially responsible investment (SRI) firms that use such reports as investment screens.

4.4 Nike/Adidas

4.4.1 Nike

Nike, Inc. specializes in athletic shoes, sports apparel, and sports equipment manufacturing and is headquartered in Beaverton, Oregon, United States. Its operations commenced in 1964, when Bill Bowerman and Phil Knight started out as Blue Ribbon Shoes, selling track shoes out of Knight's car. It is listed on the New York Stock Exchange with a market capitalization of more than $30 billion. Its fiscal year starts June 1 and ends on May 31.

The Nike 2006 report is entitled "Innovate for a Better World: Nike FY05-06 Corporate Responsibility Report." As of 21 November 2007, the report was available in interactive form and for download in the Adobe Acrobat format through the company's web site at http://nikeresponsibility.com. The report is available in English language only and is 163 pages in length, including cover page and body. The last eighteen pages of the report contain a Nike Contract Factory Disclosure List of all of Nike's contracted suppliers.

According to the report, Nike views corporate responsibility as a driver of innovation. In this strategic role, the company opens up three targets for the subsequent five years:

1. Improve working conditions in contract factories
2. Minimize global environmental footprint
3. Use the Nike brand to provide global youth with better access to sports

The company's *volte-face* with regards to corporate responsibility becomes evident when noted that in 1998, the company faced a major lawsuit over advertising claims that its steps to improving workers' conditions were misleading (DeTienne & Lewis, 2005). Nike added a Vice President of Corporate Responsibility with senior leadership status.

Nike's report provides a plethora of information on its internal audits of suppliers, its independent audits of suppliers, even disclosing its measurement metrics in hopes of stimulating stakeholder dialogue. All of this leads to thorough disclosure to the report's intended audiences: "of the socially responsible investment (SRI) community, employees, academics, students, suppliers, contract factory partners, customers, consumers, non-governmental organization and advocacy organization leaders, and individuals with an in-depth knowledge of corporate responsibility."

The report also cross-references the GRI framework and the UN Global Compact Principles. However, even though several stakeholder groups who are listed have evaluated Nike's processes, the company's CSR report isn't externally audited or independently assured (though the status update on reporting procedures states that the recommendation to address verification and assurance is still being pursued).

As a marketing communications tool, Nike's CSR report highlights a shift to significant transparency in material disclosure. The wealth of data that the report purports is all-encompassing to satisfy all stakeholder audiences.

4.4.2 Adidas

Adidas AG specializes in sportswear and equipment manufacturing and is headquartered in Herzogenaurach, Germany. Its operations commenced in 1920 when Adi Dassler created his first pair of shoes, ultimately labeling his company "Adidas" in 1948 (Adidas Group). It is listed on the Frankfurt stock exchange with a market capitalization over €7 billion. Its fiscal year starts January 1 and ends on December 31.

The Adidas 2005 report is entitled "Connected by Football." As of 21 November 2008, the report was available in the Adobe Acrobat format through the company's web site at http://www.adidas-group.com/en/sustainability/welcome.asp.

The report is available in English language only and is 40 pages in length, including two front cover pages, body, and back cover page.

The purpose of the report is to refer readers back to the company's web site for specific and more current activities. Thus, the report's scope is relatively brief. The first part of the report addresses the group's missions and values, while also underlying its challenges and responses.

Adidas holds a less encompassing upfront definition of "stakeholder," regarding such an audience as "employees, authorizers, business partners, opinion formers, and customers." Accordingly, the report mentions its stakeholder engagements with NGOs through formal dialogues.

The next section of the report carries through the "connected by football" theme in addressing the strategies and tactics the company has taken to improve environmental, health, and safety issues at its international operations. This is followed by a section that is devoted to case studies on its improvements in environment, its employees, and community involvement.

Finally, the report measures some the company's progress across different KPIs and lists target goals for the following year. These goals are measured in percentages, with no specific metrics for success. All target progresses are measured in 25% increments.

The report does not cross-reference the GRI framework, nor the UN Global Compact Principles. Adidas does not have any internal assurance letter by an internal audit committee, nor does it have any external verification, as the company has stated that non-standardized verification standards adds no value to the report.

4.4.3 Case Findings

Differences between the Nike and Adidas reports appear significant and wide-ranging. The volume and breadth of data and strategic analysis in the Nike report suggests greater stakeholder engagement in material disclosure. In addition, the Nike report is released online in interactive format, allowing for greater dissemination of data to the widest stakeholder audience possible.

While the content of the Adidas report is updated periodically on the company's web site, it is important to note that the report itself shows marginal materiality, with seemingly arbitrary measurements of KPIs. As a result, the Adidas report's use as a marketing tool is diminished in comparison with the Nike report.

More significant however, is the difference in material disclosure between Nike as an American company and Adidas as a German company. Nike, which had traditionally been known for its corporate opaqueness, has constructed a report that attempts demonstrate transparency in recognizing a wider stakeholder audience. The Adidas report recognizes a more constrict stakeholder definition and provides a looser report as a result.

This raises a question of whether or not the "symmetric embeddedness hypothesis" posited by Midttun *et al*. (2006) is actually applicable to the marketing of CSR. As a marketing tool, the Nike CSR report is demonstrative of the company's overt actions to increase CSR, yet there is less embeddedness of CSR in the United States. This stands in contrast to Germany, where higher social values would indicate less need for CSR marketing and thus, the Adidas CSR report would suffice with less materiality.

However the analysis below describes how CSR marketing communications of both American and Western European MNEs should be more similar than contrasting.

5. Analysis

This chapter provides an analysis of case findings based upon the theories presented in chapter three, with the applied findings as a fundament of synthesis.

The book *Corporate Social Responsibility Across Europe* (Habisch *et al*., 2005) provides various depictions of CSR models in various countries across Europe and serves as the underlying source for this section. These models serve a beneficial comparative function when analyzing the case studies and applied findings. For instance, the Finnish CSR model is based on a high societal level of trust in corporations and a corporate reliance on managers who genuinely believe that acting responsibly is in the company's best interests. This is contrasted with the Danish model, where there are higher governmental regulations on social responsibility, leading to a greater obligation for its companies to act not just socially responsibly, but socially inclusively as well. The Danish government has also attempted to prove its own social responsibility with better hiring practices and more integrated dialoging with companies and trade unions.

Since Scandinavian social welfare models tend to be rather integrated into businesses themselves, it would suggest that companies based in these countries retain a competitive edge in corporate social responsibility rankings and SRI indexes. Perhaps most integral to this edge is the scope under which trade unions play a legitimate and effective bargaining role between enterprise and labor. This also would suggest an inherent commitment to practicing business in responsible manners.

Companies that integrate social responsibility and sustainability into their core competencies seem to be among the most profitable and the most trusted. The companies chosen in the case studies and applied findings above demonstrate significant market capitalization in their respective markets. Yet the social embeddedness of social responsibility in Western European countries again lends itself to greater inherent embeddedness in CSR. Thus, active stakeholder engagement in Western European MNEs is relevant, but not necessary. We can compare this to the American business model, where the structure and flow of dialoging power is typically from corporations to government (evidenced in Wal-Mart's CSR report, where the company describes its congressional lobby for a cap-and-trade carbon emissions scheme) as opposed to the government to corporation flow, which is traditionally evident in European models.

Each country has seemed to have a distinct personality in its approach to CSR. In the United Kingdom for instance, the government is more dependent on business and a greater sense of institutionalism. This is most evident in the BP findings and Unilever case study. In Ireland however, it seems to follow that CSR is not high on the corporate agenda — the result of antidisestablishmentarianism towards the Anglican Church and the British Crown. Instead, there has been lesser apathy toward CSR as the Irish Roman Catholic traditions tend towards a more capitalist nature.

In Belgium, the bi-cultural historic nature has led to a more progressive corporate agenda optioning toward CSR, but a lack of corporate transparency and communication seems to undermine this notion. In the Netherlands, CSR is heavily engrained in the business agenda, particularly with respect to environmental issues. The Dutch aim for greater transparency and self-regulation, but actively participate in dialoguing on the issues via political means. This is also evident from the BP findings and Unilever case study. Out of six CSR/sustainability reports reviewed in the case studies, the Unilever report was the only one that reached a wider stakeholder audience through publication in languages other than English.

The French tend to look at the role of social responsibility as that partaken by government. This descends heavily from mistrust of labor relations and the paternalistic roles of the state since the end of the Second World War. However, since the corporate/labor relations have warmed only recently, the general population has the government to exert more paternalistic pressure on both parties. Again, this is evidenced above by the Carrefour case study, where Article 116 of France’s *Nouvelles Régulations Economiques* of 2001 entrenches material disclosure of social responsibility practice in corporate annual reports.

By contrast, a more laissez-faire, apathetic attitude toward CSR takes root in Germany. However, this German apathy toward CSR seems different from that of the Irish apathy mentioned above, steeped namely in the inherent tradition of corporatism and the belief that government will mediate between the various stakeholder groups. Since neither government nor corporations seem to budge on issues of stakeholder engagement, nor has the government particularly involved itself in promoting socially responsible agendas, the German concept of CSR has become rather stagnant. In particular, stagnation of CSR will remain unless institutions find themselves pressured by greater EU agendas.

The European Commission set up a multi-stakeholder forum to discuss CSR issues and raise awareness. Although CSR is voluntary in Europe, this was an important step by the European Commission, as it sought to start incorporating CSR into EU policy (Anonymous, Added value of EU action, 2003).

Although there are some major and minor variations in the CSR themes presented thus far, a general arc becomes pervasive through all models. On the whole, there is a difference between mere communication as a CSR marketing communications tool and an actual obligation for a corporation to demonstrate transparency.

In other words, CSR is not merely about a company recognizing that it is accountable for its social actions and expressing the measurements of its accountability through marketing communications; CSR is about providing a level of transparency that leaves accountability inherently open and visible to all stakeholders.

Certain companies require integrated marketing communications models to demonstrate accountability; however it is truly through material disclosure by which engagement with stakeholders can take root.

In the Wal-Mart case study for instance, its ability to disclose the bare, regulated minimum of data and continuance to opaquely mask the various parts of their operations that have otherwise drastic effects on U.S. economic indicators, contrasts deeply with the report painted by its competitor, Carrefour. While Wal-Mart retains the right to non-disclosure, the CSR/sustainability report mandated by the Government of France has forced Carrefour to innovate in its supply chain and engage with SMEs and local suppliers to drive competitive growth.

Though the right to non-disclosure is an American legal truism, it leads to a certain American skepticism and distrust of corporations. Perhaps this is best reflected by the oft-cited 1993 Cone/Roper Benchmark Survey on Cause-Related marketing, which shows 62% of Americans were impressed with a company that commits to a cause for more than a year (Bloom *et al*., 1995). Instead, Wal-Mart communicates a message that is askew in its lack of transparency and willingness to become transparent. Consumer apathy feeds this effect, leading Wal-Mart to continue its opaque misgivings. It has only been through self-recognition of its market power and potential to "do well by doing good" that Wal-Mart has initiated CSR/sustainability initiatives and has now integrated these initiatives into its advertising model.

As mentioned in the first chapter, the root cause of the slow changes in corporate practice in the United States is both historically- and constitutionally-based. Through these lenses, a lack of mandated CSR will most likely remain unchallenged for some time, leaving American MNEs to innovate their own stakeholder engagement models.

This stands in opposition to European companies, where expectations to follow social welfare models as a part of corporate society are the norms. Maignan & Ferrell (2004) strike an important chord when writing that stakeholders may associate themselves with norms and objectives, even when they are not associated with a formal organization.

The EU Green Paper suggests that companies see themselves integrated with society. As a result, there is more willingness to promote CSR as an integral part of business, since profit motive is not their sole reason for existing (Eberhard-Harribey, 2006). This stands in contrast to the traditional American school of thought that suggests business sees its responsibility as obligatory, not as integral. These companies have an imposed obligation to society to be transparent and to communicate that transparency through actions and words. As a result, European corporations tend to be more highly trusted – even more than government in some European countries. The relationship between the corporation and all of its stakeholders thus becomes a pattern of cyclical interdependency.

This interdependency of stakeholder engagement gives rise to a significant question. In the United States, a national news broadcast is the same, homogeneous broadcast from New York to Chicago to Los Angeles. However over the same distances in Europe, a national news broadcast will vary from Warsaw to Vienna to Lisbon. Given that the same geographical distances in Europe encompass more than twenty nations, whereas the same space in America encompasses one nation, are there any implications on the meaning of CSR to American corporations as opposed to European corporations?

In the globalized context of international business environments, increased CSR practice should exist irrespective of social norms. Typical product marketing often employs creative license and exaggerated claims to create desire in potential customers for goods and services (DeTienne & Lewis, 2005). Thus, CSR marketing communications of MNEs should demonstrate a raised level of innovation in employing creative license, while not exaggerating these claims of responsible practice.

Charles & Hill (2004) write that there needs to be more standardization of vocabulary in CSR terms in order for companies to avoid arbitrary measurements of goals. Definitions can otherwise be interpreted too loosely for any semblance of value to a CSR reporting process. This is important, as CSR/sustainability reporting becomes a mainstay as a marketing communications tool. This is also important as CSR marketing communications seeks to bolster a company's reputation.

Idowu & Towler (2004) suggest the language used in a CSR report must be accessible to "the man in the street." Since CSR reports are meant for the engagement of stakeholders of all audiences, they should be presented in a way that is non-restrictive to industry and company outsiders. A lack of international standards means that some of these reports may be “better” than others.

For the American MNEs presented in chapter four, CSR/sustainability reporting was largely born out of containing reputational risk from potentially damaging events (including the financial reporting scandals of 2001). CSR reporting benefits companies that have undergone negative criticisms as a result of social disengagement. Tschopp (2003) argues that by incorporating the SEC in TBL reporting, companies would then be held accountable for their actions in the same way as they are for other financial compliance matters. Failure to comply with a SEC TBL report might have negative impact on a company’s stock.

But corporate reputations are value-based concepts. Positioning a company in the minds of consumers requires consumers to integrate a variety of information (such as firm behavior) and create a psychological construct (Jeurissen, 2004). Qualitative and quantitative data in the stakeholder report each have different effects on the perceptions of the companies. The qualitative data has a direct effect, which is created in particular by the company’s use of narrative and thereby, the definitions of language. The quantitative data has an indirect effect through visualization and imagery (Zambon & Del Bello, 2005).

Barone *et al*. (2000), question whether consumer perceptions of a company’s motivation or trade-offs of consumer choice factor into consumer purchasing decisions. Unfortunately since it is difficult to directly measure the success of any marketing on consumer purchasing decision, their study of a specific type of marketing was limited as well. The size of the performance/price trade-off for a cause-related product also affects consumer brand choice. Depending on the size of cause-related marketing, the perceived advantage can fail to influence consumer behavior when the trade-off is greater. Thus when opting to differentiate brands, companies strategizing their cause-relative marketing techniques must effectively leverage the cause against the trade-off effect. Additionally, this will act as a counterbalance to potential greenwashing claims.

Human judgment is a synthesis of one's environment. However, these judgments may be inconsistent and inaccurate (Dhir & Vinen, 2005). Managing positive corporate reputations, while backing them up with consistently positive and responsible actions, should be one of the cornerstones of corporate social responsibility. Understanding the key parameters to these judgments would reduce potential for poor human perception of a corporation's reputation.

Maignan *et al*. (2005) suggest that business can only truly be deemed accountable to agents with whom it actually interacts with. As such, it tends to enact standards that merely minimize the negative by-products of its business processes. At the same time, this is not necessarily sufficient proof that a company is engaged in stakeholder-oriented marketing. Greater density, power, and convergence of stakeholder communities can also have a drastic positive effect on the impact on the organizations. On the contrary, greater centrality of stakeholder communities can reduce the positive impact on the organizations (Maignan & Ferrell, 2004). As a result, companies must consider these factors when deciding what responsibility initiatives should be pursued and how to go about marketing them. Full material disclosure may improve corporate transparency, but not necessarily have a net positive effect on a corporation.

Dhir & Vinen (2005:7) write that "the real value of a company often derives from its intangible assets." Aqueveque (2005) also writes that corporate trustworthiness translates to goodwill, but is also intangible. It is also more difficult to measure the attributes of corporate trustworthiness. Thus it becomes increasingly more important that the company's relational market-based assets are sufficiently bolstered in conjunction with its intellectual market-based assets for shareholder value to be maximized.

6. Conclusion

A conclusion of the output of the analysis and the answer to this thesis's purpose.

Elms (2006) writes that the corporation was created to maximize value for shareholders. Thus, it becomes important for corporations to demonstrate their responsibility to all stakeholders. CSR may be voluntary, but it is necessary for the value-maximization to which stakeholders symmetrically provide to shareholders.

The PRESOR (Perceptions of the Role of Ethics and Social Responsibility) scale developed by Singhapakdi *et al*. (1996) should help marketers develop effective and efficient CSR marketing communications strategies. This should work in consort with the step-by-step approach for implementing CSR presented by Maignan *et al.* (2005).

Robins (2005) recognizes the neo-classical arguments of Friedman suggesting that social responsibility is a political process, not to truly be recognized in the commercial spheres. This should be considered incorrect as the political landscape has potential for redefining the business environment. It would be more advantageous for business to positively engage in the political process if it expects favorable business conditions.

The CSR/sustainability reporting process has been an advantageous marketing communications tool for multinational enterprises choosing to engage with stakeholders. However, it is evident that all companies presented in this paper have significant room for improvement in their reports.

Most relevant to the discussion on CSR/sustainability reporting is the level of material disclosure, as well as the involvement of government mandates for CSR reporting. The fact that CSR reporting is performed on a voluntary basis with voluntary frameworks suggests great difficulty in comparing companies. As the niche for SRIs increases, it will be more laborious and costly for such firms to perform due diligence on CSR reports. Thus, as a marketing communications tool, it stands to reason that an international reporting standard would be necessary for fair comparisons of corporate CSR metrics. Just as financial information in corporate annual reports is standard and consistent (while also functioning as a key marketing communications tool to investors), CSR reports must be standard and consistent as well.

This type of consistent reporting would also serve to align corporate marketing campaigns with the company's strategic CSR mission, as opposed to greenwashing. By directing the company with an annual CSR report that addresses strategic CSR, the company must be held accountable toward achieving those goals to maximize shareholder value. This requires marketing communications to acknowledge a new set of CSR paradigms under which recognition of stakeholder engagement becomes entrenched in the advertising of socially responsible practice.

The embeddedness of CSR practices of American and Western European MNEs will likely remain a fixture of innovation for stakeholder engagement models. In future studies, perceptions of CSR/sustainability marketing communications should be studied across a variety of countries. This would serve to illuminate the differences between consumer perceptions of CSR and corporate CSR strategies. This would also create a stronger foundation upon which companies can reconcile geographic differences in CSR perceptions and adapt their marketing strategies more appropriately, more efficiently, and more effectively.

The globalization of business requires that MNEs not just think globally and act locally, but engage with stakeholders on both fronts as well. Marketing communications tools will become an invaluable source of engagement for continual stakeholder dialog. Only then, will the net externalities of globalization and corporations turn positive for all individuals around the world.

References

Adams, C. A. (2004). The ethical, social and environmental reporting-performance portrayal gap. *Accounting, Auditing & Accountability Journal , 17* (5), 731-757.

Added value of EU action. (2003). *Work Study , 52* (3), 153.

Adidas Group. (2006). *Connected By Football: Social and Environmental Report 2005.* Herzogenaurach, Germany: Adidas Group.

Adidas Group. (n.d.). *History.* Retrieved December 20, 2007, from Adidas Group: http://www.adidas-group.com/en/overview/history/Historye.pdf

Albert, M. (1991). *Capitalisme Contre Capitalisme.* Paris: Seuil.

American Petroleum Institute. (2007, September 7). *About API.* Retrieved February 9, 2008, from API: http://www.api.org/aboutapi/

Aqueveque, C. (2005). Marketing and market development: Signaling corporate values: consumers' suspicious minds. *Corporate Governance , 5* (3), 70-81.

Arnoldy, B. (2007, March 12). *Buy a red T-shirt to fight AIDS. But does it really help? | csmonitor.com.* Retrieved March 14, 2007, from csmonitor.com: http://www.csmonitor.com/2007/0312/p01s02-wmgn.html

Achbar, M., Simpson, B. (Producers), Bakan, J. (Writer), Abbott, J., & Achbar, M. (Directors). (2003). *The Corporation* [Motion Picture]. Films Transit International.

Baldvinsdottir, G., & Johansson, I.-L. (2006). Responsibility in action: expressions of values in a Swedish company. *Qualitative Research in Accounting & Management , 3* (2), 112-125.

Barabel, M., & Meier, O. (2006). Culture Européenne au Sein d'une Entreprise Multinationale : Mythe ou réalité... Le cas EADS. *Décisions Marketing , 43/44*, 191-205.

Barber, B. R. (2007). *Consumed: How Markets Corrupt Children, Infantilize Adults, and Swallow Citizens Whole.* New York: W.W. Norton & Company.

Barone, M. J., Miyazaki, A. D., & Taylor, K. A. (2000). The influence of cause-related marketing on consumer choice: Does one good turn deserve another? *Journal of the Academy of Marketing Science , 28* (2), 248-262.

Bauman, L. (1977). Social Responsibility in Advertising. *Best's Review , 78* (1), 91.

Beattie, A. (2007, January 27). *FT WEEKEND MAGAZINE - FEATURE: Spend, spend, spend. Save, save, save.* Retrieved March 14, 2007, from FT.com: http://www.ft.com/cms/a/92d94ba6-24e4-11d8-81c6-08209b00dd01,id=070127000950,print=yes.html

Beers, D., Capellaro, C., & Pell, E. (1991, March/April). Greenwash! *Mother Jones , 16* (2), pp. 38-43.

Best, S., & Nocella, A. J. (Eds.). (2006). *Igniting a Revolution: Voices in Defense of the Earth.* Oakland, CA: AK Press.

Bille, J. (2003). La Mondialisation et l'Organisation Internationale de la Publicité. *Revue Française du Marketing , 192/193*, 17-23.

Black, L. D., & Hartel, C. E. (2004). The five capabilities of socially responsible companies. *Journal of Public Affairs , 4* (2), 125-144.

Bloom, P. N., Hussein, P. Y., & Szykman, L. R. (1995). Benefiting society and the bottom line. *Marketing Management , 4* (3), 8-18.

Boutin, A., & Gaston-Breton, C. (2006). SEGMENTATION ET STRATÉGIES DE COMMUNICATION DANS LES MARCHÉS ÉMERGENTS : Une approche croisée des concepts de pyramide économique et d'acculturation. *Décisions Marketing , 43/44*, 79-94.

BP. (2005, November 28). *BP Forms BP Alternative Energy*. Retrieved 10 February, 2008, from BP Global: http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7012352

Broberg, M. P. (1996). Corporate social responsibility in the European Communities--the Scandinavian viewpoint. *Journal of Business Ethics , 15* (6), 615-622.

Brown, T. J., & Dacin, P. A. (1997). The company and the product: Corporate associations and consumer product responses. *Journal of Marketing , 61* (1), 68-84.

Buhmann, K. (2006). Corporate social responsibility: what role for law? Some aspects of law and CSR. *Corporate Governance , 6* (2), 188-202.

Business: Calling an end to poverty; Mobile phones and development. (2005, July 9). *The Economist , 376* (8434), p. 53.

Campbell, D., Craven, B., & Shrives, P. (2003). Voluntary social reporting in three FTSE sectors: A comment on perception and legitimacy. *Accounting, Auditing & Accountability Journal , 16* (4), 558-581.

Capaldi, N. (2005). Corporate social responsibility and the bottom line. *International Journal of Social Economics , 32* (5), 408-423.

Cerin, P. (2002). Communication in corporate environmental reports. *Corporate Social - Responsibility and Environmental Management , 9* (1), 46-66.

Chahal, H., & Sharma, R. D. (2006). Implications of Corporate Social Repsonsibility on Marketing Performance: A Conceptual Framework. *Journal of Services Research , 6* (1), 205-216.

Charles, G., & Hill, T. D. (2004). Towards an ISO for Corporate Social Responsibility. *ASQ's ... Annual Quality Congress Proceedings* (pp. 135-145). Toronto: American Society for Quality.

Chevron Corporation. (2005, July 5). *Chevron Corporation*. Retrieved February 9, 2008, from Press Release - New Chevron Advertising Targets Dialogue about Global Energy Issues: http://www.chevron.com/news/press/Release/?id=2005-07-05

Chevron Corporation. (2007, September 28). *Chevron Corporation*. Retrieved 9 February, 2008, from Chevron Announces New Global 'Human Energy' Advertising Campaign: http://www.chevron.com/news/press/release/?id=2007-09-28

Cleaver, J. (1992). Take out: environmental management: consumers resist green pitch. *Crain's Chicago Business , 15* (45), T1.

Clinton, B. (2007). *Giving: How Each of Us Can Change the World.* New York: Alfred A. Knopf.

Coastal America. (2007, March 7). *Corporate Wetlands Restoration Project*. Retrieved December 20, 2007, from Coastal America: http://www.coastalamerica.gov/text/cwrp.html

Co-operative Financial Services. (2008, January 17). *Co-operative Financial Services (CFS)*. Retrieved February 12, 2008, from http://www.cfs.co.uk/servlet/Satellite?c=Page&cid=1166431280866&pagename=Corp/Page/tplCorp

Coors, A. C., & Winegarden, W. (2005). Corporate Social Responsibility-Or Good Advertising? *Regulation , 28* (1), 10-11.

Corporate advertising: some companies support social, political concerns. (1978). *Industrial Marketing , 63* (2), 60.

Corporate Europe Observatory. (2000). *Greenhouse Market Mania: UN climate talks corrupted by corporate pseudo-solutions.* Amsterdam, Netherlands: Corporate Europe Observatory.

Dacin, T. J. (1997). The Company and the Product: Corporate Associations and Consumer Product Responses. *Journal of Marketing , 61*, 68-84.

Dando, N., & Swift, T. (2003). Transparency and assurance: Minding the credibility gap. *Journal of Business Ethics , 44* (2/3), 195-200.

Davidson, K. (1997, February 3). Self-regulation by ad groups is a right move. *Marketing News , 31* (3), p. 11.

DeTienne, K. B., & Lewis, L. W. (2005). The Pragmatic and Ethical Barriers to Corporate Social Responsibility Disclosure: The Nike Case. *Journal of Business Ethics , 60*, 359-376.

Dhir, K. S., & Vinen, D. (2005). Managing corporate respectability: Concept, issues, and policy formulation. *Corporate Communications , 10* (1), 5-23.

Dholakia, U. M., & Talukdar, D. (2004). How social influence affects consumption trends in emerging markets: An empirical investigation of the consumption convergence hypothesis. *Psychology & Marketing , 21* (10), 775-797.

Diller, J. (1999). A social conscience in the global marketplace? Labour dimensions of codes of conduct, social labelling and investor initiatives. *International Labour Review , 138* (2), 99-129.

Docherty, S., & Hibbert, S. (2003). Examining company experiences of a UK cause-related marketing campaign. *International Journal of Nonprofit and Voluntary Sector Marketing , 8* (4), 378-389.

Dowling, G. R. (2001). *Creating Corporate Reputations: Identity, Images, and Performance.* Oxford, U.K.: Oxford University Press.

Dungay, F. (2007, April 9). *D&AD Branding & Environmental Issues Forum*. Retrieved February 11, 2008, from http://blog.cogapp.com/author/fiona-dungay

Eberhard-Harribey, L. (2006). Corporate social responsibility as a new paradigm in the European policy: how CSR comes to legitimate the European regulation process. *Corporate Governance , 6* (4), 358-368.

Egan, M. L., Mauleon, F., Wolff, D., & Bendick, M. (2003, November). *France's Nouvelles Regulations Economiques: Using Government Mandates for Corporate Reporting to Promote Environmentally Sustainable Economic Development.* Retrieved November 21, 2007, from Bendick and Egan Economic Consultants, Inc.: http://www.bendickegan.com/pdf/EganMauleonWolffBendick.pdf

Elliott, R., & Yannopoulou, N. (2007). The nature of trust in brands: a psychosocial model. *European Journal of Marketing , 41* (9/10), 988-998.

Elms, H. (2006). Corporate (and stakeholder) responsibility in Central and Eastern Europe. *International Journal of Emerging Markets , 1* (3), 203-211.

Endacott, R. W. (2004). Consumer and CRM: A national and global perspective. *The Journal of Consumer Marketing; , 21* (3), 183-189.

Engardio, P., Capell, K., Carey, J., & Hall, K. (2007, January 29). *Beyond the Green Corporation*. Retrieved February 9, 2008, from BusinessWeek: http://www.businessweek.com/magazine/content/07_05/b4019001.htm

Epstein, M. (1994, April). Environmentally responsible corporations. *Management Accounting* , p. 74.

Fishman, C. (2006). *The Wal-Mart Effect: How the World's Most Powerful Company Really Works--And How It's Transforming the American Economy.* New York: The Penguin Press.

Fletcher, R., & Melewar, T. (2001). The complexities of communicating to customers in emerging markets. *Journal of Communication Management , 6* (1), 9-23.

Fox, R. (1999, September). Employees and consumers like cause marketing. *Incentive , 173* (9), p. 16.

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach.* Boston: Pitman.

Frey, D. (2002, December 8). *How Green is BP.* Retrieved February 10, 2008, from New York Times Online:

http://query.nytimes.com/gst/fullpage.html?res=9D01E5DF1F38F93BA35751C1A9649C8B63&sec=&spon=&pagewanted=all

Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *New York Sunday Times Magazine* .

Gap Inc. (2007). *(RED) Update*. (The Persuaders LLC) Retrieved February 11, 2008, from http://www.joinred.com/red/update.asp

Gap Inc. (2006, October 9). *Gap (Product) Red Collection Designed to Make a Difference for Africa*. Retrieved February 11, 2008, from Gap Inc.: http://www.gapinc.com/public/Media/Press_Releases/med_pr_GapProductRed100906.shtml

Gap Inc. (2007, October 3). *Gap Introduces Inspirational Marketing Campaign to Celebrate First Anniversary of Global Launch of Gap (Product) Red*. (The Persuaders LLC) Retrieved February 11, 2008, from (Product) RED: http://www.joinred.com/news/press-release.asp?10032007

Garriga, E., & Melé, D. (2004). Corporate Social Responsibility Theories: Mapping the Territory. *Journal of Business Ethics , 53*, 51-71.

Gillespie, R. J. (1992, July/August). Green strategies: pitfalls and opportunities for environmental marketers. *The Journal of Business Strategy , 13* (4), pp. 14-17.

Gond, J.-P., & Herrbach, O. (2006). Social Reporting as an Organisational Learning Tool? A Theoretical Framework. *Journal of Business Ethics , 65*, 359-371.

Graafland, J., Ven, B. v., & Stoffele, N. (2003). Strategies and Instruments for Organising CSR by Small and Large Businesses in the Netherlands. *Journal of Business Ethics , 47*, 45-60.

Gray, R., Kouhy, R., & Lavers, S. (1995). Corporate social and environmental reporting: A review of the literature and longitudinal study of UK disclosure. *Accounting, Auditing & Accountability Journal , 8* (2), 47-77.

GRI. (2002). Sustainability Reporting Guidelines. Amsterdam: Global Reporting Initiative.

Groupe Carrefour. (2007). *2006 Sustainability Report.* Levallois Perret, France: Groupe Carrefour.

Groupe Carrefour. (2006). *History - Carrefour Group*. Retrieved December 20, 2007, from Carrefour: http://www.carrefour.com/cdc/group/history/

H&M Hennes & Mauritz AB. (2006). *Corporate Social Responsibility Report 2005.* H&M Hennes & Mauritz.

Habisch, A., Jonker, J., Wegner, M., & Schmidpeter, R. (Eds.). (2005). Corporate Social Responsibility Across Europe. Berlin; New York: Springer.

Harris, K. L. (2000). Think globally, incorporate regional differences, and act locally: Recommendations for marketing to the European Union. *American Marketing Association Conference Proceedings* (pp. 23-29). Washington, D.C.: American Marketing Association.

Harvard Business Review on Corporate Responsibility. (2003). (H. B. Review, Compiler) Boston: Harvard Business School Press.

Hedberg, C.-J., & Malmborg, F. v. (2003). The Global Reporting Initiative and corporate sustainability reporting in Swedish companies. *Corporate Social - Responsibility and Environmental Management , 10* (3), 153-164.

Higgins, K. T. (2002, July/August). Marketing with a conscience. *Marketing Management , 11* (4), pp. 12-15.

Hooghiemstra, R. (2000). Corporate communication and impression management - new perspectives why companies engage in corporate social reporting. *Journal of Business Ethics , 27* (1/2), 55-68.

Hooper, P. D., & Greenall, A. (2005). Exploring the potential for environmental performance benchmarking in the airline sector. *Benchmarking: An International Journal , 12* (2), 151-165.

Huneke, M. E. (2005). The Face of the Un-Consumer: An Empirical Examination of the Practice of Voluntary Simplicity in the United States. *Psychology & Marketing , 22* (7), 527-550.

Hurwitz, M. A., & Caves, R. E. (1988). Persuasion or Information? Promotion and the Shares of Brand Name and Generic Pharmaceuticals. *Journal of Law and Economics , 31* (2), 299-320.

Idowu, S. O., & Towler, B. A. (2004). A comparative study of the contents of corporate social responsibility reports of UK Companies. *Management of Environmental Quality , 15* (4), 420-437.

International: Flood, famine and mobile phones; Dealing with disasters. (2007, July 26). *The Economist , 384* (8539), p. 65.

Jayne, M. R., & Skerratt, G. (2003). Socially responsible investment in the UK--criteria that are used to evaluate suitability. *Corporate Social - Responsibility and Environmental Management , 10*, 1-11.

Jeong, J. (2004). *Exploring the Impact of Advertising on Brand Equity and Shareholder Value.* Austin, Texas: The University of Texas at Austin.

Jeurissen, R. (2004). Institutional Conditions of Corporate Citizenship. *Journal of Business Ethics , 53*, 87-96.

Jones, P., Comfort, D., & Hillier, D. (2005). Corporate social responsibility and the UK's top ten retailers. *International Journal of Retail & Distribution Management , 33* (12), 882-892.

Jones, P., Comfort, D., Hillier, D., & Eastwood, I. (2005). Corporate social responsibility: a case study of the UK's leading food retailers. *British Food Journal , 107* (6), 423-435.

Kim, Y.-K., Park, J., & Kim, Y. (2001). Impact of social advertising claims on consumer response: Implications for apparel companies. *Journal of Family and Consumer Sciences , 93* (5), 41-45.

Klein, N. (2000). *No Logo: Taking Aim at the Brand Bullies.* Toronto: Vintage Canada.

Kleinschmidt, E. J. (1994). A comparative analysis of new product programmes: European versus North American Companies. *European Journal of Marketing , 28* (7), 5-29.

Knox, S., Maklan, S., & French, P. (2005). Corporate Social Responsibility: Exploring Stakeholder Relationships and Programme Reporting across Leading FTSE Companies. *Journal of Business Ethics , 61*, 7-28.

Kotler, P., & Lee, N. (2004). *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause.* Hoboken, N.J.: Wiley.

Lammers, J. C. (2003). An institutional perspective on communcating corporate responsbility. *Management Communication Quarterly , 16* (4), 618-624.

Landor Associates. (2007, May 1). *New Survey Conducted Indicates Green is No Longer a Marginalized Issue in the United States*. Retrieved 10 February, 2008, from Landor: http://www.landor.com/?do=aboutus.pressrelease&storyid=507

Lane, C. (1989). *Management and Labour in Europe: The Industrial Enterprise in Germany, Britain and France.* Hampshire, U.K.: Edward Elgar.

Lantos, G. P. (2002). The ethicality of altruistic corporate social responsibility. *The Journal of Consumer Marketing , 19* (3), 205-230.

Laufer, W. S. (2003). Social accountability and corporate greenwashing. *Journal of Business Ethics , 43,* 253-261.

Leon H. Sullivan Foundation. (2005). *The Global Sullivan Principles*. Retrieved December 19, 2007, from Global Sullivan Principles: http://www.thesullivanfoundation.org/gsp/principles/gsp/default.asp

Lill, D. J., Gross, C. W., & Peterson, R. T. (1986). The Inclusion of Social-Responsibility Themes by Magazine Advertisers: A Longitudinal Study. *Journal of Advertising , 15* (2), 35-41.

Luo, X., & Donthu, N. (2006). Marketing's Credibility: A Longitudinal Investigation of Marketing Communication Productivity and Shareholder Value. *Journal of Marketing , 70* (4), 70-91.

Maignan, I., & Ferrell, O. C. (2004). Corporate Social Responsibility and Marketing: An Integrative Framework. *Journal of the Academy of Marketing Science , 32* (1), 3-19.

Maignan, I., & Swaen, V. (2004). La Responsabilité Sociale d'une Organisation : Intégration des Perspectives Marketing et Managériale. *Revue Française du Marketing , 200* (5), 51-66.

Maignan, I., Ferrell, O. C., & Ferrell, L. (2005). A stakeholder model for implementing social responsibility in marketing. *European Journal of Marketing , 39* (9/10), 956-977.

Makower, J., & GreenBiz.com. (2008, January). *GreenBiz.com.* Retrieved February 9, 2008, from State of Green Business 2008: http://www.stateofgreenbusiness.com/files/StateOfGreenBusiness2008.pdf

Malcuit, S. V. (1960). European Markets and American Business. *Journal of Marketing , 24* (1), 45-49.

Marks & Spencer. (2007, May 22). *Annual Report and Financial Statements 2008.* Retrieved February 11, 2008, from Your M&S: https://images-na.ssl-images-amazon.com/images/G/02/00/00/00/32/14/12/32141262.pdf?mnSBrand=core

Martínez, C. R. (2005). Entering and Succeeding in Emerging Countries: Marketing to the Forgotten Majority. *International Marketing Review , 22* (1), 116-118.

Maslow, A. H. (1943). A Theory of Human Motivation. *Psychological Review , 50* (4), 370-396.

McGuire, J. B., Sundgren, A., & Schneeweis, T. (1988). Corporate Social Responsibility And Firm Financial Performance. *Academy of Management Journal , 31* (4), 854-872.

McIntosh, M. (2003). *Raising a Ladder to the Moon: The Complexities of Corporate Social and Environmental Responsibility.* Hampshire, U.K.: Palgrave Macmillan.

McLeod, D. M., & Kunita, M. (1994). A comparative analysis of the use of corporate advertising in the United States and Japan. *International Journal of Advertising , 13* (2), 137-152.

Midttun, A., Gautesen, K., & Gjølberg, M. (2006). The political economy of CSR in Western Europe. *Corporate Governance , 6* (4), 369-385.

Miles, M. P., & Munilla, L. S. (2004). The Potential Impact of Social Accountability Certification on Marketing: A Short Note. *Journal of Business Ethics , 50*, 1-11.

Mill, G. A. (2006). The Financial Performance of a Socially Responsible Investment Over Time and a Possible Link with Corporate Social Responsibility. *Journal of Business Ethics , 63*, 131-148.

Morhardt, J. E., Baird, S., & Freeman, K. (2002). Scoring Corporate Environmental and Sustainability Reports Using GRI 2000, ISO 14031 and Other Criteria. *Corporate Social Responsibility and Environmental Management , 9*, 215-233.

Murphy, B., Maguiness, P., Pescott, C., Wislang, S., Ma, J., & Wang, R. (2005). Stakeholder perceptions presage holistic stakeholder relationship marketing performance. *European Journal of Marketing , 39* (9/10), 1049-1059.

Neal, M. (1993, September). Reaping the rewards of skillful marketing ... while helping. *Direct Marketing , 56* (5), pp. 24-26.

Nelson, P. (1974). Advertising as information. *Journal of Political Economy , 82* (4), 729-754.

Niffenegger, P., White, J., & Marmet, G. (1982). How European retailers view American imported products: Results of a product image survey. *Journal of the Academy of Marketing Science , 10* (3), 281-291.

Nixon, R. (2008, February 6). *Botton Line for (Red).* Retrieved February 10, 2008, from New York Times Online: http://www.nytimes.com/2008/02/06/business/06red.html?pagewanted=all

Nkamnebe, A. D. (2006). Globalised marketing and the question of development in the Sub-Saharan Africa (SSA). *Critical Perspectives on International Business , 2* (4), 321-338.

Nwachukwu, S. L., Vitell, S. J., Gilbert, F. W., & Barnes, J. H. (1997). Ethics and social responsibility in marketing: An examination of the ethical evaluation of advertising strategies. *Journal of Business Research , 39* (2), 107-118.

Ogrizek, M. (2002). The effect of corporate social responsibility on the branding of financial services. *Journal of Financial Services Marketing , 6* (3), 215-228.

O'Hagan, J., & Harvey, D. (2000). Why Do Companies Sponsor Arts Events? Some Evidence and a Proposed Classification. *Journal of Cultural Economics , 24* (3), 205-224.

Okazaki, S. (2005). Searching the web for global brands: how American brands standardise their web sites in Europe. *European Journal of Marketing , 39* (1/2), 87-109.

Page, A. L. (1995, Spring). We're good guys: Image propaganda from Mobil Oil. *Business and Society Review* (93), pp. 33-35.

Pautard, D. (2004). Les Avantages d'une Approche Marketing Consciente des Principes de Responsabilité Sociétale. *Revue Française du Marketing , 200* (5), 67-81.

Perrini, F. (2006). SMEs and CSR Theory: Evidence and Implications from an Italian Perspective. *Journal of Business Ethics , 67*, 305-316.

Peterson, R. T., & Gross, C. W. (1978, March/April). Social Responsibility in Magazine Advertisements. *Atlanta Economic Review , 28* (2), p. 35.

Porter, M. E. (1979). How competitive forces shape strategy. *Harvard Business Review , 57* (2), 137-145.

Prahalad, C., & Hart, S. L. (2002). The Fortune at the Bottom of the Pyramid. *Strategy & Business* (26).

Preston, C. (2005, Quarter 3). Advertising to children and social responsibility. *Young Consumers* , 61-67.

Procter & Gamble. (2006). *2006 Global Sustainability & Philanthropy Report.* 2006: Procter & Gamble.

Procter & Gamble. (2007, November 23). *Our History*. Retrieved November 23, 2007, from PG.com: http://www.pg.com/company/who_we_are/ourhistory.jhtml

Quelch, J. A. (1993). *Chevron Corporation: Corporate Image Advertising.* Harvard Business School. Boston: Harvard Business School Publishing.

Raj, T. V. (2007). The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits. *South Asian Journal of Management* , *14* (2), 123-125.

Reisenwitz, T. H., & Whipple, T. W. (1999). Social Issues and Media Sensationalism: The Effectiveness of Teaching Methods to Affect Their Perceived Performance. *Teaching Business Ethics , 3*, 13-25.

Rennings, K., Schröder, M., & Ziegler, A. (2003). The Economic Performance of European Stock Corporations: Does Sustainability Matter? *Greener Management International , 44*, 33-43.

Robin, D. P., & Reidenbach, R. E. (1987). Social Responsibility, Ethics, and Marketing Strategy: Closing the Gap Between Concept and Application. *Journal of Marketing , 51* (1), 44-58.

Robins, F. (2005). The Future of Corporate Social Responsibility. *Asian Business & Management , 4*, 95-115.

Sanders, R. E. (1987). The Pareto Principle: Its Use and Abuse. *The Journal of Services Marketing , 1* (2), 37-40.

Savitz, A. W. (2006). *The Triple Bottom Line: How Today's Best-Run Companies Are Achieving Economic, Social, and Environmental Success--And How You Can Too.* San Francisco: Jossey-Bass.

Schultz, H., & Yang, D. J. (1997). *Pour Your Heart Into It: How Starbucks Built a Company One Cup at a Time.* New York: Hyperion.

Schultz, M., Hatch, M. J., & Larsen, M. H. (2000). *The Expressive Organization: Linking Identity, Reputation, and the Corporate Brand.* Oxford, U.K.: Oxford University Press.

Sethi, S. P., Westen, T., & Crain, R. (1979). Institutional/Image Advertising and Idea/Issue Advertising as Marketing Tools: Some Public Policy Issues-Comment. *The Journal of Marketing , 43* (1), 68-78.

Sethna, Z. (2006). An investigation into how individual and organisational consumption is affected when dealing with SME organisations from emerging economies. *Asia Pacific Journal of Marketing and Logistics , 18* (4), 266-282.

Sichtmann, C. (2007). An analysis of antecedents and consequences of trust in a corporate brand. *European Journal of Marketing , 41* (9/10), 999-1015.

Simms, A. (2007). *Tescopoly: How one shop came out on top and why it matters.* London: Constable & Robinson, Ltd.

Singhapakdi, A., Vitell, S. J., Rallapalli, K. C., & Kraft, K. L. (1996). The perceived role of ethics and social responsibility: A scale development. *Journal of Business Ethics , 15* (11), 1131-1140.

Smith, A. (2006). *The Theory of Moral Sentiments.* Mineola, N.Y.: Dover Publications, Inc.

Solman, G. (2008, January 21). *Coloring Public Opinion?* Retrieved 9 February, 2008, from Adweek: http://www.creativeseminar.com/aw/magazine/article_display.jsp?vnu_content_id=1003695819

SustainAbility. (2007, October). Practices and Principles for Successful Stakeholder Engagement. Washington, D.C.

The European View of Marketing Research. (1978). *The International Executive , 20* (2), 16-17.

Tixier, M. (2004). Faut-il Communiquer sur la Responsabilité Sociale ? Les Années 2000 : Un Tournant dans l'Entreprise. *Revue Française du Marketing , 200* (5/5), 13-26.

Trimble, C. S., & Rifon, N. J. (2006). Consumer perceptions of compatibility in cause-related marketing messages. *International Journal of Nonprofit and Voluntary Sector , 11*, 29-47.

Tschopp, D. (2003, December). It's Time for Triple Bottom Line Reporting. *The CPA Journal* , p. 73.

Tschopp, D. J. (2005). Corporate social responsibility: a comparison between the United States and the European Union. *Corporate Social - Responsibility and Environmental Management , 12*, 55-59.

Tuzzolino, F., & Armandi, B. R. (1981). A need-hierarchy framework for assessing corporate social responsibility. *Academy of Management Review , 6* (1), 21-28.

U.S. Marketers Can Learn From European Innovators. (1973). *The International Executive , 15*, 16-17.

United Nations. (2007, August 28). *Standard Country and Area Codes Classifications (M49)*. Retrieved November 21, 2007, from United Nations Statistics Division: http://unstats.un.org/unsd/methods/m49/m49regin.htm

Verschoor, C. C. (2006, August). Consumers Consider the Importance of Corporate Social Responsibility. *Strategic Finance , 88* (2), pp. 20-22.

Vuontisjärvi, T. (2006). Corporate Social Reporting in the European Context and Human Resource Disclosures: An Analysis of Finnish Companies. *Journal of Business Ethics , 69*, 331-354.

Weber, O. (2005). Sustainability Benchmarking of European Banks and Financial Service Organizations. *Corporate Social Responsibility and Environmental Management , 12*, 73-87.

Wheaton, K. (2008, January 28). Honest, ethical ad industry can actually help economy. *Advertising Age , 79* (4), p. 14.

Wiegner, K. K., & Bamford, J. (1985, November 18). Marketing: a cause on every carton; buying the true believers. *Forbes , 136* (13), p. 248.

Wieland, J. (2005). Corporate Governance, Values Management, and Standards: A European Perspective. *Business and Society , 44* (1), 74-93.

Wilson, W. J. (1973). Consumer Reality and Corporate Image. *California Management Review , 16*, 85-90.

Xie, H. Y., & Boggs, D. J. (2006). Corporate branding versus product branding in emerging markets : A conceptual framework. *Marketing Intelligence & Planning , 24* (4), 347-364.

Zambon, S., & Bello, A. D. (2005). Towards a stakeholder responsible approach: the constructive role of reporting. *Corporate Governance , 5* (2), 130-141.

VITA

Name:	Spencer Mitchel Ross
Date of Birth:	August 21, 1982
Elementary School:	Pleasant Valley School South Windsor, Connecticut
Date Graduated:	June 1993
High School:	South Windsor High School South Windsor, Connecticut
Date Graduated:	June 2000
Baccalaureate Degree:	Bachelor of Arts McGill University
Date Graduated:	October 2004