



Concept of corporate social responsibility and various aspects of marketing

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Abstract

This paper explains the concept of Corporate Social Responsibility and the social, legal and ethical aspects of marketing. The concept of CSR is a company's sense of responsibility towards the community and the environment in which it operates. Social responsible marketing is critical of excessive consumerism and environmental damages caused by corporations. It is based on the idea that market offerings must not be only profit-driven, but they must also reinforce social and ethical values for the benefit of the citizens. Marketing is the important function of any organization, is without marketing no other function of the organization can be completed efficiently. Due to the functioning of the business globally and having a tough competition between the organizations it became crucial for the business to perform the function of marketing efficiently and effectively. As to sustain long term success an organization has to go beyond the delivering of products and now it is not sufficient to have an exchange relationship. The organization should have to work for the benefits of the consumers as well as the society. The social legal and ethical aspects of the marketing are very important function that has to be performed by the organization to sustain in this competitive era.

Keywords: corporate social responsibility, true marketing, false advertising

Introduction

Corporate Social Responsibility is the continuing commitment by the business to behave ethically and legally and contribute to the economic development while improving the quality of life of the work force and their families as well as society at a large. A variety of terms are used to talk about CSR ethics, corporate citizenship, corporate accountability and sustainability. A company should be responsible for all its activities which have an impact on all the stakeholders. Stakeholders include all those people who are influenced by, or can influence, a company's decision or action. These include employees, customers, suppliers, community organization, subsidiaries and affiliates, joint venture partners, local neighborhoods, investors and shareholders.

There are three aspects of marketing: Social Aspect, Legal Aspect, and Ethical Aspect. The Social aspect of marketing is basically a marketing concept that is of the view point that a company must make good marketing decision after considering customers wants, requirement of company and most of all the long term interest of the society. The Legal Aspect of marketing includes laws and regulations. The organization must ensure that each and every employee should have proper knowledge of these laws and must observe these relevant laws. The Ethical Aspect of marketing states that the company and its members must behave in an ethical manner and the company should have written code of conduct so that it can prevent wrong doing. These aspects of marketing are very important in the present competitive environment where the business is operating globally.

CSR is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes throughout the

company wherever the company does business and includes responsibility for current and past actions as well as future impacts. The issues that represent a company's CSR focus vary by business, by size, by sector and even by geographic region. In its broadest categories, CSR typically includes issues related to business ethics, community investment, environment, governance, human rights, market place and workplace. CSR goes beyond charity and requires that a responsible company take into full account of the impact on all stakeholders and on the environment when making decisions. This requires them to balance the needs of all stakeholders with their need to make a profit and reward their shareholders adequately.

For the new generation of corporate leaders, optimization of profits is the key, rather than the maximization of profit. Hence, there is a shift from accountability to shareholders to social responsibility to customers and other stakeholders. In today's competitive global marketing, ethics play a vital role, because we are dealing with human values and beliefs. Business spreads beyond boundaries. The marketer has to deal with cross country culture. Many MNC'S like Mc Donald and Nestle had faced lot of problems because of neglecting ethical issues in their marketing practices. They have incurred billions of dollars in monetary values and above all losing thousands of valuable hybrid customers due to the adaptation of unethical advertising & promotional strategies. According to experts, marketing is viewed as human conduct and is subject to academic analysis and public scrutiny. Ethics is the study of the moral principles that guide that conduct. Historically, there have been two points of view on the study on ethics in marketing. The first is "Let the buyer beware. From these points of view, the rights of the seller are central. A company

has little regard of customer's needs and wants. The other points of view is "let the seller beware". Here, customer satisfaction is taken to an extreme. No matter what the customer does, it is ok. Which position is correct? How do we resolve the inevitable conflicts brought by these competing view points?

Ethical aspect of marketing

Ethical issue turn to be very important issue for any marketers due to abundant of choices, while facing cut-throat competition in the existing business environment and therefore it become crucial for any marketer to adhere to the corporate values based on the moral judgement. The diverse nature of organization and differences in the personal values make it mandatory to maintain a code of conduct which would prevent wrong doing. For eg kraft choose to stop advertising some of its less healthy products such as oreos and chips on television targeted to the children of age group 6 to 11, some watch group felts that was not enough so the Advertising standard Council of India (ASCI) has developed specific code of conduct governing advertising to children.

Certain business practices are clearly illegal or unethical. These include bribery, theft of trade secrets, false and deceptive advertising, quality or safety defects, false warranties, inaccurate labeling, undue discrimination of price fixation etc. ethical behavior is mandatory if a free market has to function effectively and efficiently. Ethics are regarded as moral guidelines which governs god behavior. Being ethical is regarded as best practice.

True Marketing

Is a concept of marketing which is considered as being important for a company to behave ethically. Matsoon talks about true marketing as true marketing is the moral performance on which a company markets a products it is expected that the truth be stated about the product as false promise are discovered very soon. Ethical principles have been utilized by many companies but when it comes to actual decision making there is less evidence in regard to the adoption of ethical principles.

Companies must adopt a written code of conduct of ethics, build a company tradition of ethical behavior and hold people fully responsible for observing ethical behavior. Companies that do not perform ethically are at a greater risk of being exposed. As in past a disgruntled customer might bade mouth a firm to ten other people, but now to due internet facility he can reach to thousands of people at a single point of time.

Social aspect of marketing

It is the responsibility of the business to contribute to the economic development while improving the quality of life of work force and their families as well as the society at large. Social aspect of goes beyond the charity and require that a responsible company takes into account the impact of its activities on all stakeholders and on environment. Social marketing is basically a marketing concept that is of the view that a company must make good marketing decision after considered customers wants, requirement of the company and most of all long term interest of the society. This concept urges companies to do more than having exchange

relationship with the customers to go beyond delivering products and work for the benefits or he consumer and society. As the exchange relationship with the customers might not be good in order to sustain long term success. The business should incorporate social responsibility in its day to day marketing decision to minimize the negative effects on the society. Increasingly people want to information about a company's record on social and environmental responsibility helps to decide from where we have to buy the product, in which company we have to invest and in which company we have to work.

Marketing and Consumerism

Consumerism is concerned with broadening the rights of consumers. The concepts of social responsible ility and consumerism go hand-in-hand. If every organization practiced a high level of social responsibility the consumer movement might never have begun. Consumerism is a struggle for power between buyers and sellers; specifically, it is a social movement seeking to increase the rights and powers of buyers in relation to sellers. Seller's rights and powers are presented in the following list:

1. To introduce any product in any size and style they wish into the marketplace, so long as it is not hazardous to personal health or safety or if it is hazardous, to introduce it with the proper warnings and controls.
2. To price the product at any level they wish, provided there is no discrimination among similar classes of buyers.
3. To spend any amount of money they wish to promote the product, so long as the promotion is not defined as unfair competition,
4. To formulate any message they wish about the product provided that it is misleading or dishonest in content or execution.
5. To introduce any buying –incentive schemes they wish.

In contrast, here are buyers' rights and power:

1. To refuse to buy a product that is offered to them
2. To except the product to be safe
3. To expect the product to essentially match how the seller represented it
4. To receive adequate information about the product.

Legal aspect of marketing

Organization must ensure that every employee should know and observe all the relevant laws. For example, it is illegal for sales person to lie to consumer about the advantage of buying a product. Sales people statement must match advertising claims. They may not obtain or use competitors and their products by suggesting things that are not ture. When we discuss legal issues in marketing, it becomes very important to understand that for many issues in the marketing arena there are no readily available solutions emerging from the legal domain although there is a general mandate to exist within the legal framework. It means that company has to follow laws, regulations and ethics simultaneously not one part only. No company can exist out of the legal framework of the country. They have to operate within the legal framework within the respective country. Sometimes they also have to follow

international standards and norms to comply international treaties and conventions. In India, there are Government and private bodies to govern when it comes to marketing campaigns in India. There are recent instances in which these bodies have become to a certain extent active and followed strict measures. We would have a look at some instances as follows:

Cable television networks (Regulation) act, 1995

As per the regulation 6 of Cable TV Regulation act, No person shall transmit or retransmit through a cable service any advertisement unless such advertisement is in conformity with the prescribed advertisement code.

Ministry of Information and Broadcasting, Govt. of India

It was in May 2011 when the Ministry of Information and Broadcasting banned certain Television commercial for men's deodorants while claiming that it wanted to curb ads targeted at tickling the libidinous male instincts and portraying women "as lustily hankering after men under the influence of such deodorants.

Telecom regulatory authority of India

The Telecom Regulatory Authority of India which was established in 1997 issued notification in May 2012 limiting television advertisement duration to 12 minutes in an hour taking note of viewer irritation and has come up with a proposal to regulate the duration, frequency and timings and audio level of advertisement. The industry estimates showed that this could impact advertising revenues of broadcaster by 15% to 40%. The Telecom Regulatory Authority of India has also pointed out that news and current affair channels cannot run more than two scrolls at the bottom of the screen, occupying a maximum of 10 percent screen. It also says that ads should not in any manner interfere with the programme use of lower part of screen to carry captions, static or moving alongside the programme.

Conclusion

Several forces are driving companies to practice a higher level of corporate social responsibility' rising customer expectations, changing employee expectations, government legislation and pressure, the inclusion of social criteria by investors, and changing business procurement practices. Companies need to evaluate whether they are truly practicing ethical, legal and socially responsible marketing. Business success and continually satisfying the customer and other stakeholders are closely tied to adoption and implementation of high standards of business and marketing conduct. The most admired companies in the world abide by a code of serving people's interests, not only their own. The following are the suggestions that the society must use the law to define, as clearly as possible, those practices that are illegal, anti-social, or anticompetitive. Next companies must adopt and disseminate a written code of ethics, build a company tradition of ethical behavior, and hold its people fully responsible for observing ethical and legal guidelines. And, individual marketers must practice a "social conscience" in their specific dealings with customers and various stakeholders.

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