

# Corporate Responsibility of the Company as a Marketing Tool



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# What we will cover:

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- CSR Definition
- CSR and Marketing
- Marketing Tools
- Cause-related Marketing
- Tesco and CSR



# CSR Definition

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- Corporate social responsibility, often abbreviated “CSR”, is a corporation’s initiatives to assess and take responsibility for effects on the environment and social wellbeing.
- CSR can involve incurring short-term projects that don’t provide immediate financial benefits, but instead promote positive social and environmental change.



# CSR and Marketing

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- Companies focus on CSR because of the ethical part or strictly as a marketing tool. Usually a combination of these two lies behind CSR
- CSR can be very effective marketing tool since a company can attract consumers who want to make a positive difference with their purchases. It can also raise awareness of the company, make the company feel more serious and at the same time increase its status.

## Examples:

- Portion of profit to benefit different charities
- Recycled packaging
- Promotions that spread social awareness



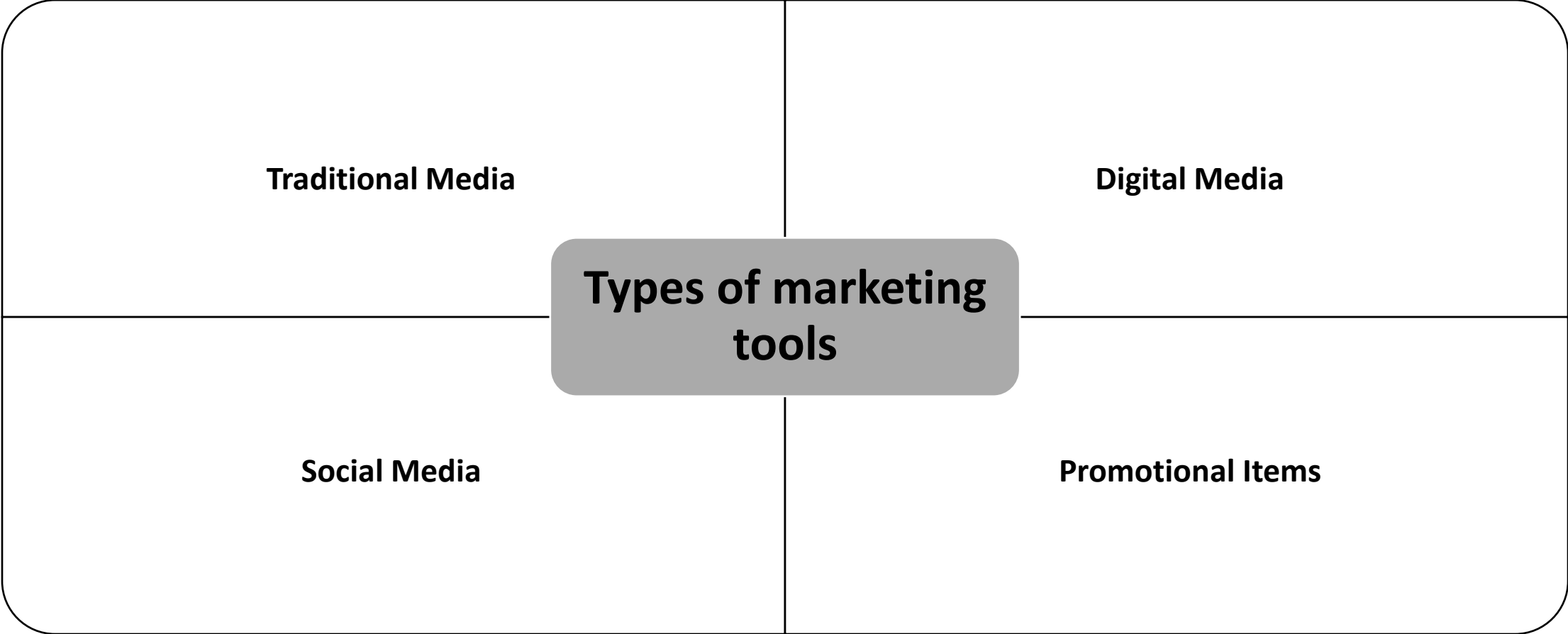
# What is marketing tool ?

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- **The techniques and materials** used by those who are involved in the promotion of goods and services.
- Most business people that need to **sell** their **goods** or **services** to the public will make extensive use of various **marketing tools**, such as market research and advertising to help further their **success**.



# Types of Marketing Tools:



If you are close to launch your own company...

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# 10 Free Social Media Marketing Tools



# Cause-Related Marketing a CSR marketing tool

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- **Cause-related marketing (CRM)** is a mutually beneficial collaboration between a corporation and a nonprofit company designed to promote the former's sales and the latter's cause.
- The point is to **attract consumers** wanting to make a difference in society through their purchasing.

*"Working together in financial concert with a charity ... to tie a company and its products to a cause "*





# Cause-Related Marketing forms

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## **Traditional CRM :**

Donation with purchase of a company's product or service ( funds from company)

## **Consumer fundraising:**

Company promotes an opportunity for its customers to make a donation at their place of business (funds from consumer)

## **Sponsorship program:**

Traditional sponsorship model where a financial commitment is made in exchange for defined benefits around the sponsored asset (funds from company)



# Cause-Related marketing a win-win solution

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## **NON-PROFIT ORGANIZATION**

- FINANCIAL RESOURCES FOR A SOCIAL CAUSE
- INCREASE ORGANISATION'S VOLUNTEER NUMBERS

## **COSTUMERS**

FEELING OF SATISFACTION  
FOR DOING SOME GOOD

## **CORPORATION BENEFITS**

- IMPROVED EMPLOYEE MOTIVATION AND LOYALTY
- IMPROVE THE CORPORATION IMAGE
- INCREASE SALES AND PROFITS



# Cause-Related marketing examples

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➤ **Uber** for No Kid Hungry

➤ **American Express** for the Statue of Liberty

➤ **Pampers** and UNICEF Partnership



# American Express for the Statue of Liberty

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American Express promote the preservation of the Statue of Liberty: for each purchase made with card one penny contributed to preserve the Statue of Liberty.

- 1,7 million raised
- + 28% card usage



# Uber for No Kid Hungry

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The goal was to provide 3 million meals for children in need by allowing riders to make a \$1 donation within the Uber app to support *No Kid Hungry*.

- 5 million meals provided
- + 200.000 new users



# Pampers and UNICEF Partnership

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Pampers and UNICEF joined forces in 2006 to fight maternal and neonatal tetanus. Its success lies in the simple, yet life-saving, message of 1 pack = 1 vaccine.

- 300 million vaccines funded
- Most trusted brand from families



# What does Tesco do in term of CSR

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# Tesco is trying to act on those important subject:

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- Food waste
- health
- human rights and labour standards
- Environment
- Supplier relationships
- Business ethics and anti-bribery





# Stopping good food going to waste

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Reducing food waste across the UK from farm to fork

## Upstream

Waste from  
manufacturing and  
agriculture

1.7 million tonnes  
from manufacturing

## Midstream

Waste in stores,  
distribution centres  
and operations

0.2 million tonnes

## Downstream

Waste in customers'  
homes

7.0 million tonnes

# Making it easier to live more healthily

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- **Reformulation**

Tesco have continued making healthier changes to our products, reducing the amount of salt, fat, saturated fat and sugar. As well as removing billions of calories from our soft drinks range, they have removed over 300 tonnes of saturated fat and 15 tonnes of salt from our own label butter and spreads range. And they have changed our own-brand cooking sauces too, removing over 65 tonnes of fat, 600 tonnes of sugar and 27 tonnes of salt.



# Human rights & labour standards

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- **Bananas**

Bananas are one of our biggest-selling products, but too many banana workers around the world face poor conditions and low wages. Tesco is a founding member of the World Banana Forum, which helps to raise labour standards across the whole industry. They work closely with suppliers to understand the costs required to produce bananas with full respect for human rights and the environment. They pay them at a higher rate than the market price and, in farms dedicated to Tesco, we are on track for workers to be paid a living wage by 2017.



# Environment

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## Palm oil

100% of palm oil in our own brand products comes from sources certified to the Roundtable on Sustainable Palm Oil (RSPO) standards. This includes palm oil used as an ingredient in food products and within beauty or household products.

By continuing to work with key stakeholders, including product partners, palm oil traders, the Consumer Goods Forum and RSPO, we are committed to ensuring that our palm oil comes from sustainable, deforestation-free sources by 2020.

# Supplier partnerships

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- Tesco is carrying out the same changes internationally. In Central Europe, they are introducing new standard payment terms which will include a new shorter term for our 1,000 smallest suppliers. As a result, from October 2016 our smallest suppliers will benefit from being paid within 14 days.



# Business ethics and anti-bribery

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- Tesco is committed to maintaining the highest standards of ethics and integrity in the way they do business.
- They relaunched our Code of Business Conduct in 2015, which sets out our minimum expectations for all colleagues and describes their most important legal obligations. The Code reflects the responsibility they have not just to comply with the law, but also to do the right thing for wider society. Since then, they have instigated ongoing communications across the Group to promote an open and honest culture within the business. From March 2015, they have also implemented annual Code compliance declarations.





# Sources:

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