Word of Mouse: CSR Communication and the Social Media

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[Abstract] We explore the prospects for CSR as an important branding tool, using social media. We cite current CSR social media related efforts of some major corporations. We argue that despite their successful efforts in developing CSR programs via traditional media, firms are more empowered for disseminating their corporate CSR efforts when using the social media. We strongly recommend that the social media be used as a tool for effectively communicating an organization’s CSR activities. We, also, investigate managerial implications of our major arguments in this paper.

[Keywords] corporate social responsibility; social media; branding component; managerial implication

Introduction
Social media is increasingly perceived by consumers as being a more trustworthy source of information and knowledge than traditional promotions such as TV and advertising (Foux, 2006). With the increasing popularity of social media, consumers are more in control of both the messages and the media since they have greater access to information and media outlets than ever before. How can the power of social media be harnessed to benefit organizations? Specifically, how can we harness the potential of these new media to communicate corporate social responsibility (CSR) efforts to the target audiences? This paper focuses on the relationship between the social media and CSR. Some companies have begun to explore the use of social media to promote their organizational “values” including such giants as GE and P&G. But a vast majority of firms still have not. For the most part they are trying to connect the social media with more traditional promotional efforts.

This paper presents the concept of CSR, as an important branding component as it moves from being a caboose to an earnest branding engine. In this regard, we cite some compelling CSR related efforts of major corporations. We argue that despite their successful efforts in developing CSR programs, firms still have not found appropriate methods of communicating those to their stakeholders. We examine the social media as a tool to effectively communicate a firm’s CSR activities. We also investigate the managerial implications that flow from the major recommendations in this paper.

Worldwide Penetration of Social Media in the Corporate World
There is a growing usage of the Social Media among the Fortune Global 100 Companies. In every continent except for Asia, Twitter is the most used and, hence, the most impacting social medium. On the other hand, blogs are the least used or least important among the social media. The story is clear, that is, shorter responses are much preferred to the longer more prepared text of a blog with expected longer response times. Perhaps, blogging as such will go the way of the dinosaurs and U.S newspapers. The U.S., Europe and Latin America appear to be the most advanced in their development and usage of the social media while Asia is progressing in their direction.

Social media include a variety of on-line media platforms using social networking sites such as Facebook, Twitter, and LinkedIn, video-sharing sites such as YouTube, and photo sharing sites such as Flicker and Picasa. The social media have now reached a “critical mass” – at least in the U.S. Critical mass, is of course, subjective where enough of one’s contacts participate in a “network” to make it meaningful for the participant (Abedniya & Mahmoud, 2010).

For example, Facebook has now more than 800 million users and 1.43 billion social media users worldwide (www.checkfacebook.com). Appreciating this media transition, Kraft Foods Corp. has become
one of the first companies to communicate its CSR efforts. For example, it donates 6 meals to hungry families whenever a consumer joins Kraft’s Facebook page (www.kraftfoodscompany.com). Coca-Cola is sending three young consumers throughout the world where its products are sold. They will be blogging about their travels, sending Tweets and uploading pictures on Flickr (www.Expedition206.com).

Five years ago, only 10 percent of organizations had social media budgets, but it has increased to almost about 30 percent by 2010. While 50 percent of all organizations blocked access to the social media in 2010, that percentage is predicted to lessen to 30 percent by 2014. Organizations are just beginning to realize the extraordinary value and power of the social media in providing a competitive advantage.

A recent Wall Street Journal/Harris poll from executives of major corporations revealed that the social media will have the biggest impact capturing customer insights (87%); driving innovation (77%); improving customer service (75%); giving employees a greater voice (72%); and keeping the company culture vibrant (70%). In another research study, executives felt that the primary value of using social media was increased opportunities to reach broad and diverse audiences (38%); connecting directly with consumers in low-cost efficient ways (29%); and engaging “specific constituencies” with greater ease (11%). In the same survey, 72 percent also said that the social media have been used to communicate about their CSR efforts. Of these, 68 percent of executives agreed that the social media are an effective way of driving engagement with customers. Facebook was named the most valuable social tool for doing this (67%). It was followed by blogs (60%), LinkedIn (58%), Twitter (46%), and FourSquare (44%) (KRC Research, 2011). Among companies that use the social media as a tool, the social media platforms that were the most frequently used included Facebook (67%), LinkedIn (58%), and Twitter (46%) among others.

### Importance of CSR as a Branding Tool

We define CSR as having both accountability and commitment by a corporation to enhance a community’s well being through the use of business resources such as money, employees, and facilities (Mascarenhas, 2011). CSR offers many benefits: it enhances a firm’s reputation; it increases customer loyalty; it is a source of product differentiation; it attracts and retains competent employees; and it builds community support for the firm (Fombrun, et al., 2000; Yan, 2011; Booth & Matic, 2011; Patino, et al., 2012).

CSR includes a broad range of issues, such as the environment, product safety, human rights, human dignity, alleviating global poverty, eradicating pandemic diseases, economic development, sustainability, and community involvement (Rindova, et al., 2005; Pirsch, et al., 2007). Even during a recession, 75% of responding consumers thought CSR as important and 55% indicated that they would choose a product that supports a particular cause (Brandweek, 2010).

CSR is well established in today’s business world. It is part of its reality. Doing good is now widely accepted as being part of doing well as a firm. The guts of CSR stems from the Golden Rule: “Do unto others as you would have them do unto you.” In other words, it is about people helping people. It is about the advantaged (i.e., a firm) helping the disadvantaged whether the latter are the poor, the disabled, the elderly, or a harmed environment. Some, nevertheless, still perceive CSR efforts as primarily being image fertilizers for a firm. Firms want their CSR efforts to be applauded as “windows” of doing good deeds as opposed to those efforts being viewed as “window dressing” for their firms, their products and, more importantly, a relatively inexpensive way to achieve brand enhancement (Kotler & Lee, 2005).

### Examples of Traditional CSR

Firms are putting more emphasis on CSR and academics have recently begun to track the CSR movement more closely (Deviney, 2009). We reviewed a few of the many CSR activities currently being practiced. Target and Staples focus on helping local schools, so that needy children can have access to supplies and computers. Toms Shoes donates new shoes and eyeglasses to poor kids in Africa. This is one-for-one match program. Merck manufactures and distributes some life-saving drugs at low cost to the poor of Africa. For AT&T, CSR revolves around its employees, who spend one paid day per month volunteering in their communities.
However, the effectiveness of CSR finally rests on communicating such activities to those stakeholders who help shape the firm’s future. But the success with any CSR program begins with identification of CSR needs for various stakeholders. Once that need is established and prioritized, then “solutions” must be found that are acceptable to a firm and its board. They should evaluate the proposed CSR solutions on the following three criteria (Yuan, et al., 2011): Examine the “fit” between proposed CSR solutions and external stakeholder needs (external consistency). Look for an appropriate “fit” between a firm’s core competencies and CSR-related activities (internal consistency). Finally, investigate the “fit” among the CSR-related programs themselves (coherence). Once endorsed by the board those solutions need to be implemented and their outcomes assessed. All of the above mentioned phases from need assessment to solution implementation require well-crafted communications with prompt feedback (Hansen, 2009).

**CSR and the Case of Intel**

The four pillars of CSR are sustainability, education, community, and CSR reporting and communications. Intel has invested in more than 250 energy conservation projects and renewable energy initiatives. It has set its sights on reducing absolute global warming emissions to 20% below 2007 numbers by 2012 and on cutting energy consumption per chip by 5% per year between 2007 and 2012. The Intel Teach Program has been helping K-12 teachers around the world become more effective educators by training them on how, when and where to bring technology tools and resources into their classrooms to promote problem solving, critical thinking and collaborative skills. Intel employees are expected to collectively donate more than a million volunteer hours to their local communities.

Communicating that CSR commitment to a broad external audience, however, is difficult. CSR-related news, while heartwarming, does not always attract much press coverage. CSR@Intel blog has proved to be a huge asset in helping Intel communicates its CSR successes. Intel invests a lot of effort in cultivating relationships beyond mainstream media with social bloggers and online sites focused on green-conscious readers and are aggressively exploring “new media” opportunities to extend its messages to a broader audience.

Through decades, firms have used the conventional form of marketing communications, TV and print advertising, to relay their CSR messages. Many researchers, however, consider this form of communications as self-indulgent and “horn tooting.” This type of communication is seen as self-promotion. Evidence shows these types of CSR communication efforts through traditional channels are seen as being less than credible. The message is clear that CSR messages, no matter how valuable and credible, are not being properly conveyed via conventional media (Groza, et al., 2011; Oberseder, et al., 2011; Forbes.com, July 21, 2009).

**The New Media (Social Media) and its Growth/Importance**

Increased access of customers to information through the social media is probably one of the most challenging issues confronting businesses, today. Listening to customers by entering their new media spaces requires “new” learning by organizations. It is evident that firms are beginning to do exactly that by integrating the “new” social media channels, quickly, into their marketing communication mix. Quality of information and speed are essential in today’s brave new world of media messages (Fernando, 2010; Baird & Parasnis, 2011; Mangold & Faulds, 2009).

**Zappos Twitter’s its Way to Fortune**

Zappos’ philosophy is that money spent on customer service is the most effective form of advertising so that its “evangelical” customers do their “marketing” through “word of mouse.” Zappos believes that its core competency includes well-trained and dedicated employees who can Tweet and who possess excellent people skills. This firm realized that the “word of mouse” harkens to people being connected to people, whether for more traditional customer service or other customer outreach efforts. Because of this ability to be in touch using the social media, Zappos managed to reduce most of the risk of online shopping by offering a 365-day return policy and by paying for shipping both ways. Beyond that more
conventional response to customers, Zappos used the social media to contact a customer who had just lost a family member and sent her flowers to cheer her. Such acts of kindness make an indelible impression on consumers.

At Zappos the entire company is involved with Twitter, starting with the CEO. It turned out to be a great way to build company culture and an excellent medium to connect with customers. By Tweeting, customers get exposed to the internal camaraderie and connections among Zappos’ employees and how Zappos is able to build extraordinary rapport between itself and its customers. Zappos simply believes in “connecting” with people, and that sales will follow. There is little product push or up-selling at Zappos.

Use of Social Media for Locating Facilities
Firms often encounter opposition when they try to locate a new facility. Wal-Mart in the US and TATA Motors in India exemplify these encounters. With Wal-Mart, the concern is usually in relation to small community retailers who fear being “gobbled up” by the perceived “predatory pricing” giant, Wal-Mart. TATA Motors, on the other hand, tried to locate a plant for its Nano Brand in the state of Western Bengal, but faced stiff opposition to a business plan that required low cost production. In cases such as these, a social media campaign will go a long way in reaching a reasonable compromise between the firm and the community. Another connecting idea comes from Cisco’s “i-Prize” (http://www.soravjain.com/25-indian-social-media-marketing-case-studies), a contest to the public through the social media in which it sought new product/services and ideas from the general public. This is often referred to as crowd-sourcing.

Facebook as a Platform for Corporate Branding
IKEA brand values are currently reinforced in social media text communications, which share practical advice, emotions, and thoughts. On IKEA’s Facebook page, the social part of the IKEA brand is lengthened and strengthened on an ongoing basis. The communication on Facebook is done within a big family setting even though the participants happen to be total strangers. The social values stressed in that page are linked to IKEA’s core values of belonging and connectedness and demonstrating an understanding of normal living situations. IKEA’s employees constantly interact with customers through their Facebook page to learn what customers say about IKEA and its products and services.

McDonald’s Blogs
McDonald’s has a blog focused on its CSR policy (http://csr.blogs.mcdonalds.com). The “blog” is monitored by the Vice President of CSR and coordinated by a trained group of “senior” staff dedicated to communicating with the stakeholders about five key CSR issues: balanced active lifestyles, responsible purchasing, people, the environment, and the community. McDonald’s blogging is very well rated (Lee & Lee, 2006).

Differences between the Old and the New Media
From an analysis of the cases we presented above, it should be clear that the media that can best help communicate CSR are the newly evolving “social” media, since self-promotion (through traditional media) does not work that well. For purposes of CSR conveyances, significantly different communication media styles must be considered and applied (Schmeltz, 2012). The social media are the “people’s media” and as such they are the final arbiter of messaging. It has the ability, if used properly, to turn “window dressing” CSR into being the “window to a firm’s soul”. In getting CSR right, it can be transformative for a firm and can be used as one of its most important brand pillars. The social media, therefore, will become more than the message of CSR, it will become the soul of CSR and, therefore, be embedded as part of the brand and its message (Capriotti, 2011; Briones, et al., 2011).

The social media are modern day extensions of interpersonal communications where a person “speaks” to a person (so to speak) and where each person is identifiable (more or less), or should be identifiable (more or less), in one way or another. The value of this type of communication is that it is analogous to a conference call type of communication where there can be many people talking to many people in some organized fashion. The value, here, is that the result could be a town hall type of
consensus. The firm’s representative(s), however, must be, specifically, identified. He/she is the point person for the firm. Because of these differences, we need to integrate the use of the various types of media – the old and the new, the social and the non-social into a meaningfully well-integrated campaign (Muniz & Schau, 2011).

The social media must be part of any online strategy. In turn, an online strategy must complement the traditional media. It must be part of the same whole. The goal is totally integrated marketing communications. We firmly believe that once the social media become an active part of any communication strategy, that it will, eventually, dictate the message reality of the old media. In the ringing words of “Be careful what you wish for,” we add that once the social media become a serious part of any firm’s marketing strategy, then, it’s a game of “Truth and Consequences.” Every firm must be committed to a constant stream of its own reality show and be willing to accept the vox populi.

With Social Media Customer Complaints Go Viral
We provide three instances of social media and make a case as to why companies cannot ignore these media. The vignettes focus on CSR’s triple bottom line of people, planet and profit. The first instance involves a professional musician whose guitar (valued $3,500) was broken by the luggage handlers at United Airlines. When repeated complaints were ignored the customer wrote a song, taped it and sent it viral (http://www.youtube.com/watch?v=5YGc4zOqozo). The song was called “United Breaks Guitars.” The lyric is built around United's mishandling of the $3,500 guitar and its subsequent refusal to compensate the loss. It has had nearly 12 million hits on YouTube alone to-date. This does not include hits through social media other than YouTube or the exposure through CNN BBC, CBS, The Wall Street Journal, NY Times and others. Subsequently, the Harvard Business School released a case study indicating as to how the incident should have been handled by United (HBS Case No. 510-057). The point from this scenario is clear. The power of the social media is undeniable and must be harnessed by businesses so that they can be properly used as an offensive strategy as opposed to always being defensive responders of complaints.

The second instance covers the “planet” issue and Nestlé is the culprit. Nestlé, the maker of the candy Kit Kat, uses palm oil supplied by firms that are trashing Indonesian rainforests, threatening the livelihoods of local people and pushing orangutans towards extinction (http://www.youtube.com/watch?v=1Rb1HhmNtw). Environmental activists around the world have taken this issue viral to force the company to take corrective measures. Incidentally, this was not the first time Nestlé has been embarrassed. In 1977 when the infamous “baby formula marketing to the poor” incident was widely publicized the social media was not there, so there was a much slower public diffusion of that “negative” information.

The third incident deals with Nike’s “unreasonable” making of profits from “slave”/child labor. The view that a “reasonable” share of the revenues should go to the labor is shared by many (http://www.youtube.com/watch?v=M5uYCWVfuPQ&feature=relmfu). While Nike shoes can be sold at $100 a pair, the labor’s share may well be less than $2 per pair (compared to the U.S auto industry where labor may get more than 25 percent of the revenues). The issue goes far beyond the paycheck, though. The poor working conditions at Nike factories have been as much an issue as have been the “slave” wages. Nike eventually met this major challenge to its CSR and instituted several changes in the way it did business (http://educatingforjustice.org/). The unfavorable feedback Nike received forced it to change the way it does business.

YouTube as a Social Media Platform
In the previous section, we presented some glaring examples of the use of YouTube.com by consumer activists to send a message to corporations to induce changes in corporate behavior (e.g. United Airlines and Nike). These were cases where the corporations were on the defense. Here are some cases to illustrate proactive business uses of YouTube.

P&G was very successful with it’s a YouTube campaign for Old Spice, “Smell like a man, man”. It got over 140 million hits on YouTube. The brand-related Tweets increased by 2,700 percent (Elliott,
2010). K-Tec brand blender marketed mainly through social media – with YouTube being the primary medium. K-Tec posted a humorous YouTube video asking a question, “Can you blend this?” and showing items such as i-phones, and golf balls, etc., and then proceeded to actually blend them. The campaign spread virally and has already been viewed more than 100 million times.

**Case Study of Oxfam: A Multi-Social Media Strategy**

Millions of people around the world live in poverty and do not have access to adequate supplies of food, housing, basic health care, or even primary education. Living in extreme poverty often means living with diseases and living without control over decisions. **Oxfam**, in conjunction with over 3,000 local NGOs, works to end this social injustice. Oxfam regularly uses social media, with accounts maintained on many social networking sites and a number of different blogs. Twitter and Facebook, for example, are being used by Oxfam to broadcast and share stories from the field that reflect news items relating to social justice. As a result, those social media tools have become major drivers of traffic to the organization’s blog. Facebook is great for more focused campaigns. YouTube and Flicker have been most useful tools for Oxfam. Images and videos have proven to be extremely powerful in bringing to life the types of injustices the “poor” must endure. Oxfam uses YouTube effectively to tell the story of people who face extreme poverty, violence and injustice. For Oxfam, one picture is indeed worth a thousand words.

**Social Media to Communicate CSR**

Social media involves mass communication and crowd-sourcing. It is part of the everyday online promotion mix of today’s firms (such as “Google” advertising). For instance, Tom’s Shoes uses Twitter to communicate its shoe donation program to needy kids in developing countries. The program involves donating one shoe for every shoe sold in USA. Yahoo runs a CSR campaign: “How Good Grows” – this is an example of a corporate crowd-sourcing program. Dell computer has a unique model for engaging its customers within a CSR community. Dell offers CSR related programs covering people and the planet (www.dell.com). Dell's social media program is popularly known as the “IdeaStorm” program. Toyota has a CSR program called “Cars for Good” that is constructed to work primarily on social media platforms. The objective for this program is to involve and engage communities across the US. Facebook is the main platform used by Toyota to determine which one hundred NGOs will receive free Toyota autos. It creatively converted a contest into a CSR program using the social media.

Starbucks annually sponsors a popular CSR program known as the “Global Month of Service.” To implement this program, Starbucks’s partners include employees, customers, community members and local organizations around the world. The company uses social media platforms to promote this event. The last program held in April 2011 was a great success. It featured 60,000 volunteers who participated from 30 countries and 4 continents; 250,000 people globally benefited; 1,400 community service projects were finished, and about 156,000 service hours were completed (www.starbucks.com).

Unilever has developed its CSR program on the premise that small actions make a big difference. Its CSR program is known as the “Sustainable Living Plan.” The company uses three social media platforms including YouTube, Twitter, and Facebook to communicate its CSR messages (http://www.youtube.com/watch?v=cpYhgqPRivw). The campaign focuses on three Ps: People, Planet, and Profits. Unilever, also, makes a strong case as to why CSR makes good “Business Sense.”

Even smaller firms such as Patagonia can excel at communicating their CSR work. Patagonia is dedicated to sustainability and its flagship program for CSR is known as “The Footprint Chronicle.” Consumers can trace the company’s product impact from design through delivery so that they can see how “green” a company really is. Revenues have doubled in just eight years (from 2002 to 2010). It can be reasonably assumed that its marketing efforts have been well received among consumers. Innovative CSR communication efforts, such as The Footprint Chronicles have helped Patagonia double its sales over the last few years and increase its profits as consumers have become more willing to support companies with a real perceived concern for environmental initiatives. The main purpose of Patagonia’s social media CSR communication is to engage its customers in its CSR effort. Because of those efforts the evidence indicates that Patagonia has amassed a strong loyal following (www.worldpress.com).
Patagonia’s mission is that its best products cause no unnecessary harm, and its best business practices are environmentally friendly. This social mission has helped the company prosper in terms of sales and profit while growing an evangelical like customer base.

An executive survey by KRC Research also indicated that social media programs for CSR communications need to be integrated with other efforts such as community events or executive outreach, or traditional media. We recommend that firms train employees on the use of social media and encourage them to use such media to promote the corporate brand. At present, many firms discourage employees from using social media due to the fear of abuse. Such fears are unfounded (http://adage.com/article/digitalnext/reasons-block-access-social-networks/142701).

**Managerial Implications**

Marketers must try to connect with customers who have shown interest in their products/services and who also have been a responsive audience. Not all customers with Twitter and Facebook accounts use them with the same frequency and routinely share them with others; then, again, many do. Often customers with engaging personalities are the ones who can quickly and completely diffuse the message via the social media (http://www.youtube.com/watch?v=RMzfksOd3E).

Business research shows that “weak ties can prove much more helpful in networking, because they form bridges to worlds we do not travel. Strong ties, on the other hand, tend to be worlds that we already know; good friends often know many of the same people and things that we know. They are not the best when it comes to searching for new jobs, ideas, experts, and knowledge. Weak ties are also good because they take less time. It’s less time consuming to talk to someone once a month (weak tie) than twice a week (a strong tie). People can keep up quite a few weak ties without them being a burden” (Hansen, 2009).

While it is important to keep existing customers, it is also imperative to attract a totally new customer base (in a “new” market). Existing customers who have stronger ties with the company expect the best and they are not likely to be surprised when they get the “best” treatment. Newer customers, however, who could be referred to as “weak ties” when “delighted” may evangelize to a newer group to which they belong, thus, enabling the company to spread its wings even more widely. As a case in point, Apple’s success can be credited to selling people the company’s belief, rather than its products. Customers with the same beliefs as Apple, therefore, began supporting Apple. The rest is history. The firm’s great success is partly due to the variety of ways it has engaged its customers. Social media such as YouTube was very helpful in creating a “very loyal” customer base (http://www.youtube.com/watch?v=qp0HIF3SfI4). Apple customers are “evangelical” in their beliefs about the company and they share their positive enthusiasm virally with the rest of the world.

**Conclusion**

Social media has great social power and as such has become a veritable industry for building idea and knowledge communities, and specifically, for instantly diffusing ideas, messages and promotions worldwide to target audiences. The influence and global penetrating power of the social media industry are virtually unstoppable. The corporate world must accept this power, deploy social media for its communication strategies, and above all, use it as a CSR branding and firm branding tool and medium. CSR is no more an occasional charity service rendered to local communities, but can be a powerful brand of reaching the millions world over. CSR can serve the teeming millions on an ongoing basis, and thereby, the organization will be served by the same millions in realizing its bottom lines of global responsibility, profitability and sustainability.

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