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Evaluation of corporate social responsibility and social media as key source of strategic communication

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Abstract

Given that the success of any corporation depends on improving positive relationships with customers, corporations need to have strategic mindset leading to long-term engagement. When customers are at the center of corporation strategies, it is likely to gain acceptance by customers with the help of some communication-oriented activities. This conceptual study searches for how corporation social responsibility and social media usage could become significant components considering strategic communication management by in-depth literature review. Accordingly, in the proposed model, major constructs of strategic communication management were investigated and these constructs are linked to the strategic communication management. As the antecedents of strategic communication management, corporation social responsibility and social media usage are considered. Corporation social responsibility indicators are considered as environmental responsibility, employee talent development program, stakeholder dialogue process and socially responsible supply chain management. Social media usage indicators are considered as providing online communities, timely updates, personalized communication and tracking large scale of data.

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1. Introduction

Nowadays’ businesses have to pay attention to strategic mindset so that they may survive in the marketplace. (Bat, 2011). Enterprises desire to accomplish strategic goals in short or long term. An activity that is tailored very well but conflicts with corporate strategies is going to fail within the scope of strategic management (Köker, 2012). Accordingly, communication perspective for businesses stands for an essential tool with respect to all target markets (Arcos, 2015).

Disciplines such as marketing, advertising and public relations aim to help businesses in strategic communication. It deals with specific communication efforts (Hallahan, Holtzhausen, van Ruler, Verčič and Sriramesh, 2007). Public relations have an important role as one of the main disciplines of communication in order to build organizational culture based on its aspects strategically (Frandsen and Johansen, 2013). As an element of strategic communication along with public relations, businesses benefit from corporate social responsibility by offering social value to target market and presenting uniqueness via activities (Holme, 2010). Corporate social responsibility is beyond philanthropic activity, it is a source of opportunity as well as competitive advantage (Porter and Kramer, 2006).

Due to its substantial effect on communication strategies, social media is another element which is capable of organizing relationship between businesses and people readily (Colleoni, 2013). Social media is not regarded as a communication trend rather it enables strategic management approach regarding businesses (Sonja Dreher, 2014). When it is considered that social media has a great community and viral feature, businesses take into account this channel in conjunction with their strategies (Baird and Parasnis, 2011). The usage of social media allows businesses to develop better organizational strategies in customer base (M. Schroeder, 2014).

The purpose of this study is to investigate and assert how social responsibility and social media might become important elements in terms of business’ communication strategies. Based on the public relations literature, this study discusses the importance of these dimensions in conceptual perspective. Basically, the study is going to try to reveal relationship between communication social responsibility, social media and strategy. Successful corporate social responsibility and social media implementations will be seen as the antecedents of leading communication strategies.

2. Literature Review

Global competition compels corporations to keep up with challenges in the commercial environment. Thus, corporations need to rely on developing strong strategies to handle the difficulties such as creating long-term customer engagement and increasing income. The conceptual proposed model in this paper evaluates corporation social responsibility activities and social media activities as fundamental components composing strategic communication management as can be seen in figure 1.

2.1. Corporate Social Responsibility

Both practitioners and theoreticians’ general acceptance is that corporate social responsibility concept points out next generation competitiveness. To the extent that businesses pay attention to social responsibility as a part of their corporate strategy, they might be widely acclaimed by all target markets and enhance their existing status in the market (Galbreath, 2009). Holme (2010) stressed on survey evidence regarding professional investors’ decisions. According to the survey, 81 percent of the respondents who are in director positions declared that they have taken corporate social responsibility into consideration before making investments.

Sachs, Maurer, Rühli and Hoffmann (2006) conducted a research focusing on analyzing corporate social responsibility approach of a mobile communications provider. They observed that the provider had launched a talent development program and stakeholder dialogue process in accordance with corporate social responsibility. The results of the study indicated that the provider created a long-term cooperation and success in the market by the help of corporate social responsibility projects. As another example derived from a different sector, Smith (2008) searched for two multi-national pharmaceutical corporations based on implementation of corporate social responsibility strategically. It was clearly understood for these corporations that they relied on corporate social responsibility as a
strategic tool leading to consumer acceptance. Literally, the key factor for these corporations is to establish corporate culture associated with contributing to environmental responsibility in a sustainable way.

Petersen and Vredenburg (2009) tried to understand how socially responsible way of thinking may alter investment decisions. For that reason, institutional investment organizations which described themselves as socially responsible were chosen according to their portion of shares of the energy companies. Total number 18 respondents who were representatives of the each company took part in the interview and then all the comments were categorized. The results have shown that corporate social responsibility was a significant variable in decision making process in case an activity had risky aspects. In order to reduce potential risks involving target market, corporate social responsibility might be seen as a strategic communication tool based on persuasion.

Corporate social responsibility might also be regarded as a key instrument that paves the way for having more hard-working and loyal employees for businesses. From this perspective, Vitaliano (2010) examined the effect of corporate social responsibility on decreasing turnover rates as a part of strategic management based on employee communication. Data set consisted of 84 companies from Fortune magazine’s Top 100 list and each company employed minimum 1,000 employees. After conducting employee survey randomly, findings indicated that there was a relationship between corporate social responsibility and profit maximization. Because when a firm builds socially responsible policies, it would be easier for firm to decrease turnover rate that costs 3,723 US dollars annually. Accordingly, corporate social responsibility lets businesses to decrease labor turnover, retain better employees in long-term and increase profitability as results of strategic communication management principles.

Hoejmose, Brammer and Millington (2013) examined social responsibility in compliance with supply chain management by evaluating a sample of 178 corporations. Their study validated the relationship between social responsibility and corporate strategy. Specifically, the results indicated that socially responsible supply chain management can be meaningful in business to consumers sector. Conversely, business to business sector and low-cost producers disregard the notion of socially responsible supply chain management. Results also suggested that corporations which adopt differentiation strategies are more interested in socially responsible supply chain management.
2.2. Social Media Usage

Bugshan, Nick Hajli, Lin, Featherman and Cohen (2014) concentrated on exploring social media as a communication channel related to health care sector. Semi-structured telephone interviews were held so as to learn participants’ characteristics of internet use. The interviews reported that internet provides an essential platform along with social media. By means of social media, patients feel encouraged to join social communities which lead to online social support concerning health problems.

McCarthy, Rowley, Ashworth and Pioch (2014) studied how football clubs committed themselves into social media in order to build sound brand image. They argued that brand image strategies through social media are playing important role in relation to football clubs. For that reason, an interview schedule was outlined and the data collected from football club fans. The results indicated that social media should be noticed because of getting in touch with fans and generating bigger community. Furthermore; when football clubs determine social media baseline, they need to embrace all the options allowing positive brand image for fans and develop a strategy that meets short term revenue with long term loyalty.

Sinha and Bhatia (2016) focused on realizing the elements of strategic corporate communication in service sector. Since social media is involved in strategic corporate communication, the results were significant. According to the results, social media paves the way in order to be perceived reliable corporation due to timely updates and personalized communication offers such as greeting cards or gifts from corporations make it more valuable in the eyes of customers. Dutot, Galvez and Versailles (2016) searched for the internet considering as a new digital channel which allows firms to develop customer-oriented communication strategies through social media usage. Specifically, they concentrated on firms that were active on social media platforms and relied on the data available through social media. In the study, a qualitative content analysis was conducted on social media platforms including Facebook, Twitter, YouTube, Instagram in order to reveal communication strategies. The findings demonstrated that social media fostered firms e-reputation. Particularly, there is a link between social media usage and gaining e-reputation of the organization provided that firms integrate their communication strategy among several media.

Sashi (2012) suggested a model of customer engagement matrix based on social media in connection with internet technologies. The matrix consists of four stages such as delighted customers, transactional customers, fans and loyal customers. These stages are connected to each other in terms of relational exchange and emotional bonds. The degree of relational exchange and emotional bond deal with relationship between corporations and customers. Consequently, social media offers touch points for corporations with customers. Indeed, it helps to develop strategies which maintain strong relationships ongoing online as well as offline. Social media is able to change and enhance customer engagement. Non-customer might become transactional customers depending on fans interaction or transactional customer might become delighted customers via social media.

Schoen, Gayo-Avello, Metaxas, Mustafaraj, Strohmaier and Gloor (2013) analyzed the social media as a strategic tool which brings about remarkable amount of data for forecasting. In particular, posts, tweets, blogs or any other contents in the context of social media yield an early warning system. Social media enables corporations into an area so that they track large scale of data peculiar to their customers. It is highlighted that when the social media data is employed with statistical models, corporations would gain an effective tool in favor of predicting customers’ needs.

3. Conclusion

In this paper, constructs leading to successful corporate communication have been discussed. Corporate social responsibility and social media are assumed as the key indicators of communication strategy. Existing literature have also examined the relationship between corporate social responsibility, social media and their strategic associations. Principally, corporate social responsibility activities are regarded as fruitful land relying on its strategic characteristics (Bhattacharyya, 2010). Similarly, social media ensured an essential part of corporations’ strategies because of providing increased communication opportunities from companies to customers and among customers (Mangold and
Faulds, 2009). In this manner, our proposed model is consistent with the general idea in the literature in relation to the associations between corporate social responsibility, social media and corporate communication strategy.

The main contributions of this study to the literature are two variables namely corporate social responsibility and social media are discussed as the antecedents of corporate communication strategy. Corporate social responsibility is an important construct for corporate communication strategy because all the corporations need to promote their legal entity in the presence of customers. Some studies in the literature highlighted the strategic role of corporate social responsibility that would be turned into competitive advantage. Another important construct which is regarded as an element of corporate communication strategy is social media. Several articles emphasized that customers are willing to interact and get informed in conjunction with their decision making process.

Managers can give priority to corporate social responsibility and social media usage on behalf of corporate communication strategy. As a managerial implication of this study, socially responsible activities might be organized periodically in order to increase customers’ perception towards corporation in a positive way. Moreover, online platform could not be ignored by managers because it allows them to hear voice of customers. Social media communities can show what the true path is for the corporation. From this perspective, social media and corporate social responsibility activities might be combined together to enhance customer engagement at the same time as a part of strategic decision.

This paper has some limitations that ensure directions for future researches. To the best of knowledge, there is a gap in the literature which focuses on investigating corporate communication strategy along with corporate social responsibility and social media in a detailed manner. As the current paper has taken aim at representing conceptual aspects of these constructs, future researches may contribute to develop the extant literature.

Next step would become to examine the relationships among corporate social responsibility, social media usage and corporate communication strategy by testing proposing and testing empirical model via structural equation modelling. This would give an opportunity to indicate how a mechanism exists between corporate social responsibility and social media usage resulting corporate communication strategy collectively or not. Further studies might expand our theoretical knowledge in line with these constructs.

References


