



# CSR As A Component of Brand Strategy

# What is Strategy?



1. Strategy is the most efficient way of achieving a company's Vision.
2. Strategy is the best possible fit between Structures, Systems, Style, Staff & Skills. (McKinsey)
3. Strategy in a business enterprise is only three things:
  - a) Cost Effectiveness
  - b) Differentiation
  - c) Niche Markets

(Michael Porter)

# What is CSR?



- CSR is not philanthropy.
- CSR is a combination of the following:
  - 1) Citizenship – Company is a good Corporate Citizen. It supports good causes and protects the environment.
  - 2) Governance – Company is responsibly run. It behaves ethically, is open, and transparent in its business dealings.
  - 3) Workplace – Company is an appealing place to work.

# What is Brand











































A brand is a name, term, sign, symbol, design or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from competition.

American Marketing Association



# Top Companies by repute in the last 4 years

- Repute measured by citizenship, governance & workplace.
- These brands are among top 100 brands of the world with respect to Brand equity

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
1 	1 	1 	1 
2 	2 	2 	2 
3 	3 	3 	3 
4 	4 	4 	4 
5 	5 	5 	5 
6 	6 	6 	6 
7 	7 	7 	7 
8 	8 	8 	8 
9 	9 	9 	9 
10 	10 	10 	10 

# Why Should CSR be a component of Strategy?



Breakthrough study by Michael Porter & Mark Kramer. Strategy & Society. The link between Competitive Advantage & Corporate Social Responsibility, 2006.

- Stakeholders are increasingly willing to hold companies accountable for social issues with frightening financial results-Shell spent \$5 billion (£3.1 billion) on its Arctic Exploration programme (2012)
- Extensive consumer boycott of Nike in 1990 for abusive labor practices in Indonesia.
- Boycott of McDonald's in 2004 because of the documentary “Supersize Me.”

# Porter's model for competitive advantage across value chain

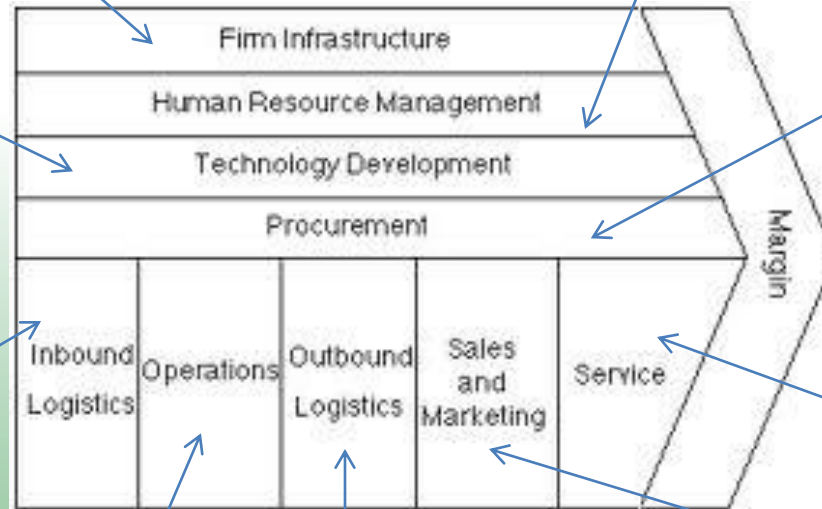


- Relationships with universities
- Ethical research practices
- Product Safety
- Conservation of raw materials
- Recycling

- Financial reporting practices
- Government practices
- Transparency
- Use of lobbying

- Education & job training
- Safe working conditions
- Diversity & discrimination
- Health care
- Compensation policies
- Layoff policies

- Procurement & Supply chain practices (e.g. bribery & child labor)
- Uses of particular inputs (e.g. animal fur)
- Utilization of natural resources



- Transportation impacts (e.g. emissions,)

- Energy & Water use
- Worker safety
- Hazardous materials

- Packaging use & disposal (McDonalds)
- Transportation impacts

- Marketing & Advertising
- Pricing practices
- Consumer information

- Disposal of obsolete products

# CSR at Maple Leaf



Now: Khazana  
Future: VPS  
Hotel

DRIVER

Future: Social  
media

CONSUMER

Now: Conferences  
Next: Zindagi/Taleem Asaan

DEALER

Outbound  
logistics

MASONS

RETAILER

[Master Mistri](#)

Future



# Points to ponder



- In 1970 the economist and Nobel laureate Milton Friedman called corporate social responsibility “hypocritical window dressing” saying that businesspeople inclined toward it “reveal a suicidal impulse.” How times have changed. Some executives still take a Friedmanesque view, but most accept social and civic responsibility as indispensable to doing good business; their enterprise won't survive if those responsibilities are ignored?
- Is CSR across the value chain real Branding?