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**THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON BRAND IMAGE  
–A COMPARISON BETWEEN EUROPE AND TURKEY–**

**Joint Master's Programme European Studies Master Thesis**

**Antalya / Hamburg, 2014**

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–A Comparison Between Europe and Turkey–

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**ABBREVIATIONS**

|     |                                 |
|-----|---------------------------------|
| CEO | Chief Executive Officer         |
| CSR | Corporate Social Responsibility |
| EC  | European Commission             |
| EU  | The European Union              |
| TBL | Triple Bottom Line              |
| UK  | The United Kingdom              |

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**SUMMARY**  
**THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON BRAND IMAGE**  
**– A COMPARISON BETWEEN EUROPE AND TURKEY-**

Today, the concept of ‘brand image’ is one of the main factors affecting consumer preferences. This situation has increased efforts to create a positive brand image. Thus, corporate social responsibility (CSR) as one of the most important elements of a positive brand image has on the agenda of western world companies for many years. However, it is a relatively new concept for Turkey. This study aims to examine the differences in the practices of the corporate social responsibility in Turkey and in Europe, compare the effect of CSR on brand image in Turkey and in Europe, and within this context, analyze the importance and influence of CSR on brand image in Turkey. The study is based on information collected from reliable published sources such as books, journals, reports, magazines, and newspapers etc., and electronic data gathered through related websites.

**Key Words:** Corporate social responsibility, Brand, Brand image, the Europe and Turkey.

## ÖZET

### KURUMSAL SOSYAL SORUMLULUĞUN MARKA İMAJI ÜZERİNDE ETKİSİ –AVRUPA VE TÜRKİYE ARASINDA BİR KARŞILAŞTIRMA–

Günümüzde marka imajı kavramı tüketici tercihlerini etkileyen en önemli faktörlerden birisi olarak karşımıza çıkmaktadır. Bu durum olumlu marka imajı yaratma çabalarını artırmaktadır. Kurumsal sosyal sorumluluk kavramı olumlu marka imajının en önemli unsurlardan biri olarak yıllardır Batı Dünyasının gündemindedir. Buna karşılık, Türkiye için nispeten yeni bir kavramdır. Bu çalışma, Türkiye'de ve Avrupa'da kurumsal sosyal sorumluluk uygulamalarının farklılıkları incelemek, kurumsal sosyal sorumluluk kavramının Türkiye'de ve Avrupa'da marka imajı üzerinde etkisini karşılaştırmak ve bu kapsamda, kavramın Türkiye'de marka imajı üzerinde etkisi ve önemini analiz etmeyi amaçlamaktadır. Çalışma kitap, dergi, rapor, vb gazete ve ilgili web siteleri aracılığıyla toplanan elektronik verilere dayanmaktadır.

**Anahtar Kelimeler:** Kurumsal sosyal sorumluluk, marka, marka imajı, Avrupa ve Türkiye.

## INTRODUCTION

Today, we are living in the Electronic Age. Communication and information technologies are already incredibly developed and we still experience a new development every single day. Through internet, consumers can access any information about a given company in seconds. Furthermore, social media is a very useful tool for consumers to announce what they like and what they dislike. A little gossip may become a big balloon through tweets or retweets. The new generation consumers do care how their food is produced or how their clothes or shoes are made. They do not want to wear a t-shirt or play with a ball that has been produced in a sweat factory or by child labour; they do not want to drink a cup of coffee that is traded unfairly or they do not want to buy products of brands whose production process is harmful for the environment. Such practices cannot remain hidden, since media is not the sole information source for consumers anymore. Big corporations or brands may have some control on media, but they cannot control every single consumer or an unhappy employee. According to Robert Grosshandler, CEO of *igive.com* –a web site whose members can generate donations by shopping- “we are experiencing a level of transparency that wasn’t there before” (Knowledge@Wharton, 2012).

Besides fair trade practices, consumers are expecting from companies to make several contributions to the society in which they operate. Moreover, online shopping, which allows consumers to buy anything that they want, from anywhere that they want, is rapidly growing all over the World. This new commerce area offers endless alternatives for consumers to reach goods. Consumers have the opportunity to choose among many alternatives. Today, not only price and quality of products and services, but also the image of the brand and its emotional tie with customers affect consumers’ buying preferences. Besides consumers, employees want to work with companies that they respect and trust. Suppliers want to establish business partnership with the companies that are trusted by their customers. Investors want to support such companies. NGOs want to work with the companies that they can act together for common goals, etc. (Chandler & Werther, 2011). In such a world, companies have to pay attention to ideas and expectations of stakeholders. Also, they need to differentiate their brands from their rivals.

In the light of these facts, the concept of corporate social responsibility (CSR) gains an important role in promoting products and services in the market, building an emotional tie with stakeholders and strengthening brand image. Brands that act socially responsible can improve their image and this positive brand image increases the customers’ tendency to buy

these brands, employees' satisfaction, suppliers' desire to establish business relationships with these brands, etc. While the concept has been placed on the agenda of European companies for many years, it is a relatively new concept for Turkey. However, considering the process of integration with the European Union, Turkey's economic growth and Turkey's branding efforts, the importance of corporate social responsibility is expected to increase gradually in Turkey, too.

The main aim of the study is to examine the differences in the perception and practice of the CSR in Turkey and Europe, to analyze the importance and influence of CSR on brand image, and to compare the effect of CSR on brand images. In order to do the comparison, the research will also focus on the following issues;

- What are the effects of Corporate Social Responsibility on Brand Image?
- Do CSR practices affect Brand image in Turkey, if so how?
- Do CSR practices affect Brand image in Europe, if so how?
- What are the differences between Turkey and Europe about CSR practices' impact on brand image?

## CHAPTER 1 THE CONCEPTS OF CSR

Corporate social responsibility is becoming increasingly important all over the world. Fifteen years ago, there were only a few companies that had CSR or sustainability reports, today more than 3000 companies worldwide, including over two-thirds of the Fortune Global 500, do issue these reports (Ernst&Young, 2010).

Globalization provides consumers with access to products and services worldwide. At the same time it provides companies with access to similar facilities. Thus, companies cannot differentiate themselves easily in terms of quality and price. But they need to differentiate themselves in order to be competitive. At this point, corporate social responsibility comes into the play. Today, corporate social responsibility is becoming a powerful investment tool, rather than a cost item (Onurlu, 2011).

### 1.1. Definition

CSR is a new terminology, but not a new concept. It is possible to trace evidences of CSR even in 3rd century BC with -an Indian minister, scholar and strategist- Kautilya's treaty in management, called Arthashastra<sup>1</sup>. Ancient Chinese, Egyptian and Sumerian scripts also mention the rules that we may attribute to CSR. In the academic area, CSR is a relatively new terminology in use since 1950s. Thus, a universally accepted CSR definition does not exist. The confederation of British industry has reasoned this fact by stating "CSR is highly subjective and therefore does not allow for a universally applicable definition." (as cited in Jamali, 2008, s. 213). Despite the lack of a universal definition, in order to draw a framework for the concept, we will refer to remarkable definitions of international organizations and well-known researchers.

Howard R. Bowen, whose book 'Social Responsibilities of the Businessman' (1953) is accepted as the beginning of the modern era of CSR, defines CSR as "*the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.*" (as cited in Schreck, 2009, s. 10). Archie B. Carroll, a well-known researcher especially known for his studies on CSR, developed a definition for CSR: "*The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that a society has of organizations at a given point in time*" (Carroll & Ann, 2011, s. 34). World Business Council

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<sup>1</sup> A treatise discussing theories and principles of governing a state, written at the end of the 4<sup>th</sup> century BC.

for Sustainable Development's definition offers an extensive, global framework in which CSR is defined as *“the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the families as well as of the local community and society at large.”* (World Business Council for Sustainable Development, 2000, s. 3). In 2011, Commission of the European Communities defined CSR as *“the responsibility of enterprises for their impacts on society. (...) To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:*

- *Maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;*
- *Identifying, preventing and mitigating their possible adverse impacts.”* (European Commission, 2011, s. 6)

For the purposes of this study, we will adhere to the definition of European Commission and will define CSR as the commitment of businesses to minimize their negative impacts on society and make positive contributions economically, socially and environmentally.

Besides corporate social responsibility, there are other terms such as corporate citizenship, corporate governance, corporate sustainability, and corporate social performance, which are commonly used in the academic literature. However, after identifying these terms clearly, we will use the term of ‘corporate social responsibility’ as an umbrella concept that covers all these terms.

Corporate citizenship is defined as *‘a company’s management of its influences on and relationships with the rest of society’* by Marsden (2000, s.11). Boston College Center of Corporate Citizenship defines corporate citizenship as *‘the business strategy that shapes the values underpinning a company’s mission and the choices made each day by its executives, managers and employees as they engage with society.’* (2014). In the light of these definitions we can infer that corporate citizenship is an organizational strategy for managing the relationship with stakeholders and society.

Corporate governance *‘involves a set of relationships between a company’s management, its board, its shareholders and other stakeholders.’* (OECD, 2004, s. 11). In other words, corporate governance is a kind of managerial monitoring and incentive mechanism that aims to reduce disputes among organizational actors (Lubatkin, Lane, Collin, & Very, 2007, s.43). While corporate governance deals with the values and mechanisms by which a corporate is governed, CSR refers to how those values and mechanisms are applied in a corporate environment.

Corporate sustainability term evolved out of the worries about the rapid depletion of natural resources in relation to incessant organizational development. The sustainability issue came on the agenda with 'Our Common Future' report of the World Commission on Environment (The Brundtland Report) in 1987. The report presented a new concept called 'sustainable development'. This report defined sustainable development as the development *'that meets the needs of the present without compromising the ability of future generations to meet their own needs.'* (United Nations, 1987, s.15, para.27). Based on this definition, we can assert that, while CSR focuses on the responsibilities of a corporation, which contribute both to the sustainability of the corporation and development of the society, corporate sustainability concentrates more on the sustainability of the environment that the corporation operates in.

Corporate social performance is defined as *'A business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationship.'* by Donna J. Wood (1991, s. 693). Clarkson adopted a simpler definition and defined corporate social performance as the corporation's ability to manage and satisfy its stakeholders (1995, s. 98). Adhering to these definitions, we can conclude that the focus of corporate social performance is on the outcomes of the corporations' actions.

## **1.2. Related Theories**

There are various theories on CSR. In this part of the study the five most popular theories were chosen. While the first three theories focus on the reason for existence of the CSR, the last two focus on the scope of the CSR.

### **1.2.1. Stakeholder Theory**

Stakeholder theory was firstly propounded by R. Edward Freeman in 1984. Freeman intended to form a responsive framework for managers facing increasing changes in the business environment where the traditional approaches could no longer provide new opportunities and directions.

According to the traditional business approach, the corporations have responsibilities towards their stock/shareholders and the purpose of a business is to create and increase value for its shareholders since they are the owners of the corporation. Stakeholder theory further claims this approach and argues that, in addition to shareholders, there are other groups who have a stake in the actions of a corporation and to whom the corporation is responsible (Freeman & Reed, 1983, s. 89). These groups are called 'stakeholders' and the main mission of a business is to create maximum value for its stakeholders. Shareholders, employees,

customers, suppliers, financiers, government and local authorities, community, media and NGOs are the key stakeholders for any corporate sector. However, they are not the only stakeholders; we can add trade unions, public interest groups, competitors, consumer associations, local associations, activist groups, etc. to the list. Freeman and Reed define stakeholders in two ways. The wide definition includes "*any identifiable group or individual who can affect the achievement of an organization's objectives or who are affected by the achievement of an organization's objectives*" (Freeman & Reed, 1983, s. 91). The narrow definition includes "*any identifiable group or individual on which the organization is dependent for its continued survival*" (Freeman & Reed, 1983, s. 91). Freeman (1984) later developed stakeholder theory, which in effect provides a new perspective on how corporations may be managed, where the focus is always on the interdependency between the corporation and its stakeholders. According to Freeman a firm cannot focus on any one of those stakeholders alone. All stakeholders' interests have to go together (2010, s. 6). The job of a manager is to figure out how the interests of all these stakeholders go in the same direction (Freeman, 2009).

In its simplest form, stakeholder theory generalizes the notion of shareholders as stakeholders and claims that besides shareholders, all stakeholders of a corporation have the right to have demands and expectations from corporations. Corporations must act parallel with these expectations and demands for their success and survival. Through considering variables like firm reputation and relations with suppliers, stakeholder theory aims to maximize a long lasting profit and business success.

### **1.2.2. Social Contract Theory**

Social contract theories, dating back to Sophists and Plato's work, are almost as old as philosophy. However, they gained importance in the 17<sup>th</sup> century with the theories of Thomas Hobbes, John Locke and Jean-Jacques Rousseau. The philosophical thought of the social contract theory commonly used to define the relationship between the society and the state. The theory is based on the idea of a social contract between the individuals and the state, in which the individuals surrender some of their freedoms and submit to the authority of the state, in return for safety, peace and well-being of all.

Donaldson (1982) applied this theory to business and defined the business and society relationship through the social contract theory, evolving from the perspective of John Locke. In his theory, Donaldson assumed a social contract between corporations and society that implied some indirect obligations of business towards society. He claimed that to justify a



corporations' existence, corporate productivity is not sufficient alone, the corporation's effects upon society must be considered as a whole (Donaldson, 1982, s.54).

Donaldson and Dunfee (1994) extended this approach and presented "Integrative Social Contract Theory" as a guide for taking business decisions in an ethical context. They assumed two types of contracts; macro social contracts and micro social contracts. According to Donaldson and Dunfee (2000) while the macro social contracts provides 'hyper norms' that are so fundamental and basic that they "are discernible in a convergence of religious, political and philosophical thought" (Donaldson and Dunfee, 2000, s. 441), the micro social contracts provides 'authentic norms' that are based on the attitudes and behaviors of the norm-generating community (Donaldson & Dunfee, 1994, s.263; Donaldson & Dunfee, 2000, s. 441; Garriga & Mele, 2004, s.56).

When evaluated as part of the social contract theory, rather than being a voluntary action that is connected to commercial interest of the firms, CSR is a part of the social contract that cannot be neglected.

### **1.2.3. Organizational Legitimacy Theory**

Suchman described legitimacy as "*a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*" (Suchman, 1995, s. 574). Businesses lean on society for their existence, growth and sustainability (Ismail, 2009, s.201; Garriga & Mele, 2004, s.57). Thus, they need the right to operate and an approval from the society that they live in. Organizational legitimacy theory is predicated on the existence of a tacit social contract in which businesses take into account expectations or demands of society, in return society gives businesses legitimacy and prestige (Garriga & Mele, 2004, s.57; Kuznetsov & Kuznetsova, 2012, s. 36-37). In this context, organizational legitimacy theory carries the stakeholder theory to a higher level.

The reasons for organizations to seek legitimacy can be various. They could be focused on legitimizing their business in order to get social approval for continuity, gain credibility or receive support for reaching organizational goals (Suchman, 1995, s. 572-574).

Many researchers believe that, corporations' quest for legitimacy that they aim to achieve through meeting social demands and expectations, commonly presents itself in the form of corporate social responsibility (Du & Vieira Jr., 2012, s.413; Guthrie & Parker, 1989, s.343; Branco & Rodrigues, 2006, s.233). Corporations use CSR as a tool to achieve legitimacy.

#### **1.2.4. Triple Bottom Line**

The term “the triple bottom line” was first coined by John Elkington in 1994, and became popular with his book “Cannibals with Forks: The Triple Bottom Line of 21st Century Business” (Elkington, Enter the Triple Bottom Line, 2004, p.2).

The triple bottom line is a way of sustainability and a philosophy of business management, which suggests that corporate performance should be measured by using three different aspects; (traditional) financial aspect, social aspect and environmental aspect (Norman & MacDonald, 2004, s.243; Elkington, [www.johnelkington.com](http://www.johnelkington.com), 2014). These aspects are also called as the three Ps: People, Planet and Profit. While, the ‘People’ aspect is focused on measuring organization’s social performance, the ‘Planet’ aspect is focused on organization’s environmental responsibility and the ‘Profit’ aspect is focused on profits and losses of the organization. To be socially responsible, organizations should incorporate and pay greater attention of all three of the mentioned aspects, and find a balance between them while incorporating them in their management strategy. Each aspect will be briefly explained.

People (Social) aspect defines the direct and indirect social impacts of a company on people within the company, in the supply chain of the company, in the community that the company operates in and on the society as a whole (Uddin, Hassan, & Tarique, 2008, s. 205). When addressing the people aspect, the socially responsible company should accept the responsibility of direct or indirect social impact of its business on the society and should use its business to make a positive contribution to the society. This is significant not only for ethical issues but also for profitability and sustainability of the company. The society that the company operates in, also the company’s final customers and company-customer relationship is very significant since this relationship directly affects some important issues such as customer loyalty, willingness to pay higher prices, company’s image and reputation, which are strongly linked to profitability of the company. Social aspect of CSR involves various responsibilities such as; product responsibility, responsibility in workplace and responsibility towards the community.

Planet aspect defines the direct and indirect impacts a company has on the environment. Environmental impact of a company usually means negative impact of the business activities such as; over consumption of non-renewable resources, pollution wastage, reduction of biodiversity, climate change, deforestation etc. (Uddin, Hassan, & Tarique, 2008, s. 206). When addressing the planet aspect, the socially responsible company should minimize the environmental negative impacts of its operations and has to adopt an environment-friendly operation/management system. As environmental issues are tightly connected to human health, planet aspect has a vital importance. It is an ethical obligation for

businesses, rather than legal obligations or nominal outcomes such as reputation, image, and customer loyalty.

Profit aspect defines the economic success of the company, which is commonly expressed in terms of profits, return on investment, or shareholder value, but increasingly this success is evaluated in the context of direct and indirect economic impacts that a company has on the economy and on its stakeholders.

A company has three main economic impacts on its stakeholders. Primarily, a company has “multiplier effect” through giving reasonable salaries to its employees which enable them to purchase goods and services and pay taxes or through economic transactions with local communities and service providers thus indirectly contribute to the well-being of the society (Uddin, Hassan, & Tarique, 2008, s. 204). Secondly, companies contribute to the welfare of the society (especially local communities where they operate) through taxes. Thirdly, as economic activities need the trust of local communities, avoiding actions such as bribery, corruption or unfair distribution of rewards and incentives that damage trust of the communities while considering the impact of actions such as shutting down the business or changing location would have on the community, companies contribute to the prosperity of the local community (Uddin, Hassan, & Tarique, 2008, s. 205).

### **1.2.5. Carroll’s Pyramid**

Carroll (1979) presented a model as a definition for corporate social responsibility covering the full range of obligations of businesses towards society. In 1991, Carroll developed his model and revealed his CSR model as a pyramid as shown in Figure 1.1. He suggested four categories, which are economic, legal, ethical and philanthropic.

Economic responsibilities involve producing goods and services that customers need and make an admissible profit from selling them. He also argued that economic responsibilities are the fundamental responsibilities of any business and all other business responsibilities lean on economical responsibilities (Carroll, 1979, s.500; 1991, s.40).

Legal responsibilities are the obligations of businesses to pursue their operations within the framework of laws and regulations as a partial fulfillment of the social contract (Carroll, 1979, s.500; 1991, s.41).

Ethical responsibilities include maintaining business operations in accordance with standards, norms, or expectations of the society that are not regulated by law (Carroll, 1979, s.500; 1991, s.41). Ethical responsibilities are crucial for the legitimacy of the business.

Philanthropic responsibilities can be defined as voluntary corporate actions as a response to society’s expectation of being socially responsible (Carroll, 1991, s.42). These

actions are desires of the society, totally voluntarily and in case a business does not take such actions, a social sanction is not the case.



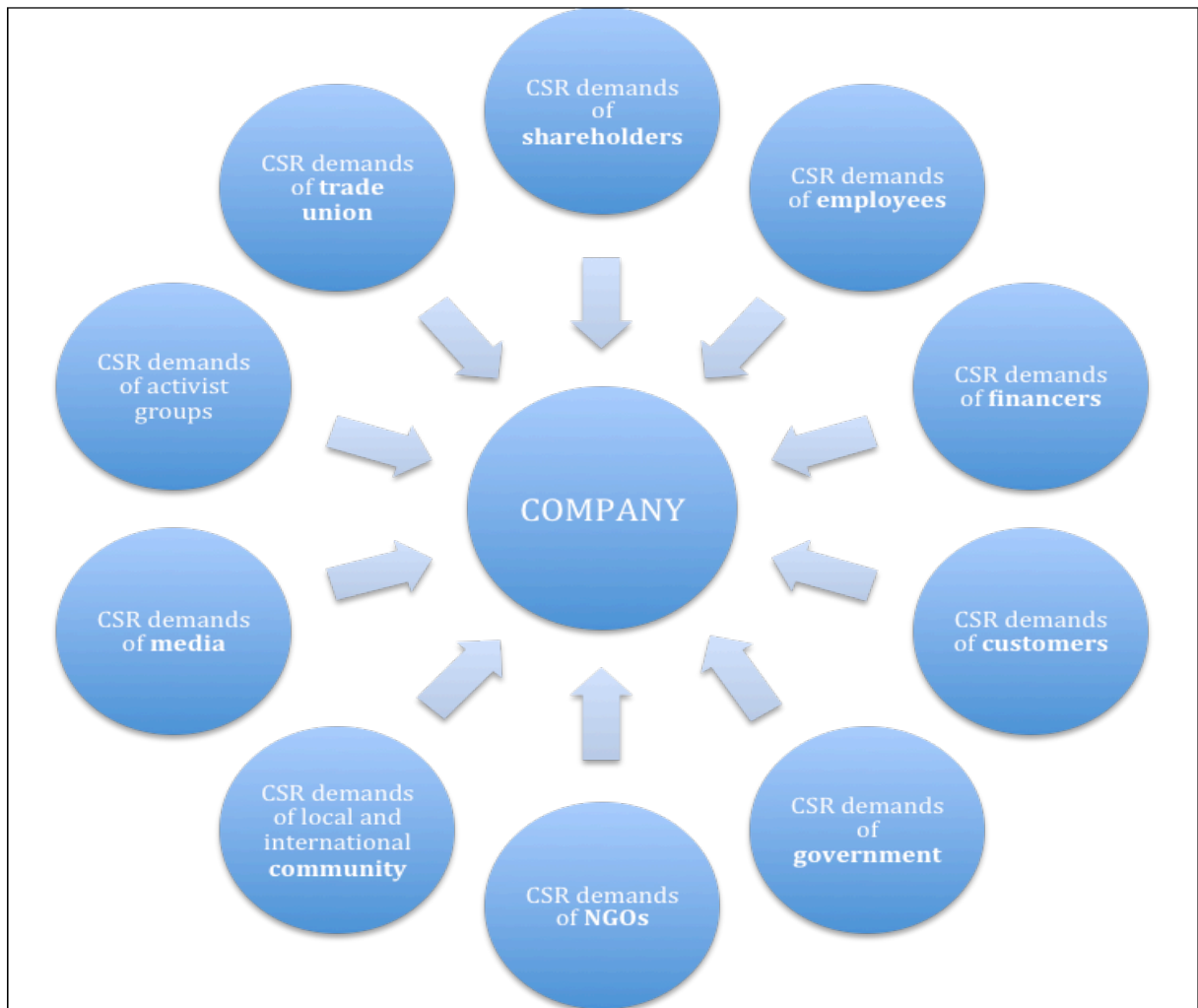
**Figure 1.1** Carroll's CSR Pyramid

**Source:** Carroll (1991), The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. *Business Horizons*, 34(4), 39-48.

### 1.3. Key Drivers

Almost all theories about CSR accept the fact that corporate sustainability and corporate success are the main objectives of any business. Even though the researchers used different expressions, such as 'justifying the existence', 'right to operate' or 'legitimacy', almost all CSR theories meet on the common ground that businesses need support and approval of the society in order to achieve these objectives. Thus, the key CSR driver for businesses is their quest for this societal support and approval. Here, a question is coming up: 'Which component of the society gives this support and approval?' Let's remember the definition of Freeman and Reed: "*any identifiable group or individual who can affect the achievement of an organization's objectives or who are affected by the achievement of an organization's objectives*" are defined as 'stakeholders' (Freeman & Reed, 1983, s. 91). Based on this definition we can deduce that stakeholders -in its wide sense- are the ones who give the societal support and approval to the business. Thus, stakeholders' attitudes and responses towards corporate social responsibility are becoming the driving force for CSR.

Nowadays, customers' concerns about putting CSR into practice and organizations' CSR performance are playing an important role on customers' buying preferences (Environmental Leader, 2008). Customers are evaluating organizations' CSR profiles not only socially, but also environmentally and economically. They are demanding quality, safe, socially minded and environmentally friendly products, services and supply chains (Environmental Leader, 2008). According to Nielsen's Global Social Responsibility Report 66 percent of global consumers claimed to be more likely to buy products and services from a company that have implemented programs to give back society. In addition, 46 percent of consumers are willing to pay extra for products and services from socially responsible companies (Nielsen Global, 2012, s. 3). The report shows that there is a positive relationship between CSR actions and consumers' attitudes toward buying preferences of socially responsible companies' products and services. Thus, customer demands are one of the main drivers of CSR. As consumers are willing to buy products and services from socially responsible companies, employees now want not only a paycheck from their companies. They also want a purpose, to make a meaningful contribution on their workplace and they want to share social, environmental and economic values of the company that they are working for. Additionally, the social, environmental and economic expectations of local and international community on organizations are more focused on gradually (Morris, 2010). Parallel to community expectations, the number of financiers or investors that are sensitive to CSR values is also increasing. Not only mass media, but also social media such as Facebook, twitter, MySpace, etc. are exerting pressure on organizations to implement CSR into their businesses. Especially social media is raising its importance in marketing. However, social media users do not want to hear, see, or click on a product advertisement. They don't want to write a comment on a product advertisement or share it with their friends. Basically, they want to share ideas. So, the brands/corporations determining its strategy on producing something to talk about become successful. Eventually, many organizations are implementing CSR into their businesses in order to meet these expectations.



**Figure 1.2** CSR demands of various shareholders

**Source:** Inspired from Freeman & Reed, 1983, s. 93-94.

Governments and local authorities are other key drivers with their regulations on social and environmental reporting, taxes, penalties, subsidies, international treaties and others. Being independent and trustworthy organizations, NGOs are also quite important and efficient drivers for CSR. They raise public interest and awareness about social, environmental and economic issues, question the activities of companies and set international standards and methodologies such as the UN Global Compact, ISO 2600 and the GRI Guidelines, which put pressure on companies to implement CSR. All stakeholders of a company, although on different grounds due to different interest, have expectations for corporate social responsibility.

## CHAPTER 2

### THE CONCEPT OF BRAND IMAGE

Today, firms are not only selling products or offer services, they are also selling their brands. While an ordinary handbag costs around 100 euros, the brand is the reason that we pay thousands of Euros for a Hermes bag. Thus, ‘brand’ and related concepts have gained importance in the last three decades. Before, the value of a business was estimated with its real estates and tangible assets such as plants, equipment, etc. However, today, brands have become the primary capital of businesses (Kapferer, 2008, s.4). In this part of the study, the concept of ‘brand’ will be defined as a basis for ‘brand image’ and ‘brand image’ concept will be analyzed in detail.

#### **2.1. The Concept of Brand**

##### **2.1.1. Definition of Brand**

In order to identify their own herd, farmers used to use a branding iron to burn the initials of the owner on livestock. The word ‘brand’ derived from this branding process. Thus, very traditional definition of brand is a fixed mark (a logo or name) for particular products and services. Traditional definition attributes only to the identification function of the brand. However, today, a brand is not only something that comprises name or logo, it is much more than that.

Kotler defines brand as *"a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors."* (Kotler, 1991, s. 442). Parallel to Kotler, The American Marketing Association defines brand as *"A name, term, design or symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers."* (American Marketing Association, 2014). These definitions extend the content of brand by attributing differentiation function besides identification. However, these definitions are still very limited and far from defining the essence of brand because they ignore ‘customer’ component. Could we ignore the customers’ influence today? Could a brand exist or survive without customers? Surely, the answer is ‘no’.

According to many experts, name, logo, or design is not the brand. They argue that name, term, design and symbol are the essential elements for a brand. However, they do not create the brand; they only provide recognition for the brand (Monesson, 2012; Lake, 2014; Pallotta, 2011). According to these experts a brand can be defined as a promise, a

relationship, or an emotional tie between the customers and product/services. By adopting this approach Keller defines brand as “a set of mental associations, held by the consumer, which add to the perceived value of a product or service.” (Keller, 1998, s. 5). Today, brand is a term that is used not only for products and services, but also companies and sometimes individuals, too.

In 1985, George Lois, a well-known advertising guru designed an advertisement campaign for a young, unknown fashion designer: Tommy Hilfiger. George Lois recognized that Tommy needed something big to promote the brand. On a billboard located at New York City's Times Square, he wrote ‘The 4 great American Designers for Men are: R.... L.... , P.... E....., C.... K....., T.... H....’ and under that he wrote ‘this is the logo of the least known of the four’ and added the logo of the Tommy Hilfiger. Public recognizes Ralph Lauren, Perry Ellis and Calvin Klein's initials. However T.... H.... arouses curiosity and Tommy becomes popular within couple of days. A few weeks later, Calvin Klein runs into Lois in a restaurant and he says: ‘Do you know it took me twenty years to get where Hilfiger is today!’ (Lois, 2012). Today Tommy Hilfiger is one of the most known retail brands. What Lois did is an advertisement miracle but this is also a very good example for what a brand actually is. Initially Lois used only initials of the brand names and there were not any logos of the brands, except the one that he wanted to advertise. However, everybody recognized the popular brands with their initials. When he used the phrase ‘great American Designers’ there were no doubts about the brands that initials represent. They only could not recognize the ‘T.. H..’ since they did not have any brands with these initials that they would assume as a great American designer. Secondly, what Calvin Klein said to Lois is very important. Creating a brand is a long process. For Calvin Klein, it took twenty years. Twenty years ago, he had his name, may be a logo, symbol, etc. Then, what had he done during these twenty years? He had built his brand. He established a relationship with his customers, ensured to keep the brand name in the customers’ mind, gained their trust, differentiated his brand from the competitors and rendered the brand as a desired brand. So, this example testifies the thesis that a brand is much more than a name, symbol, design or logo. It is about how customers feel about the brand.

In the light of the foregoing, this study adopts the approach that a brand cannot be viewed as a concept consisting only of a name, logo, design, etc.; it is much more than that. A brand is the sum of the customer feelings and customer experiences about a product, a service or a company that particularly includes identification, differentiation, trust and desire.



### **2.1.2. Role and Importance of Brand**

With the wave of merges and acquisitions in mid-1980's market transaction dramatically increased prices. There have been merges and acquisitions that cost three or four times more than the stock market value of the company in question. What justified these new high prices was the value of the brands that a company had. With the exploration of the real value of the 'brand' and that neither tangible assets nor real assets are sufficient to measure the real value of a company, the 1980's marked a turning point in the conception of 'brand' (Kapferer, 2008, s.3). How was it possible? How an intangible asset like 'brand' could become such an important issue and create nominal value more than tangible or real assets?

Brand has many roles in the marketing process. As it has been mentioned above, it helps to identify and differentiate the products or services. Besides identification and differentiation functions, a brand creates tie, a relationship between the customer and products/services, symbolizes businesses' promises to customers, influences customers' feelings about the products/services and builds an image in the mind of the customers. By evoking willingness to buy these products/services brand helps to create demand in the market, increase competition and enable to establish the price of the product/service by the brand owner company. Brand also helps to launch new products, services or new brands in the market by using pre-established relationship, image, trust and reputation. What make brand such valuable are actually all these roles. Because these roles generate cash flows and guarantee future earnings (Aaker, 1991). Ries and Ries claim that today a company's existence is totally dependent on building brands (Ries & Ries, 2000). According to Interbrand's ex-chairman Rita Clifton "Brands are the ultimate accountable institution. If people fall out of love with your brand, you go out of business." (Quoted in The Economist, 2011).

In conclusion, brands represent a huge portion of the value of a company and, increasingly have become its biggest source of profits; hence, it is the most valuable asset of a company (The Economist, 2011).

### **2.1.3. Brand Equity**

The brand equity concept has formed based on the idea that consumers react more favorably to the products (or services) of a well-known brands that have positive brand perception, than products with less-known ones. With its simplest definition, brand equity represents the value that is beyond the physical assets of the company, the value given by its customers to the brand (Biel, 1993, s. 69). David A. Aaker defined brand equity as "*a set of assets and liabilities linked to a brand's name and symbol that adds to (or subtracts from) the*

*value provided by a product or service to a firm and/or that firm's customers.*” He categorized four assets for brand equity that represent consumer perceptions and reactions to the brand named as; brand awareness, brand loyalty, perceived quality and brand associations (Aaker, 2012, s. 7). Keller established a brand equity model known as ‘customer-based brand equity’. Keller based his model on the idea that consumers react more favorably to the marketing program of a product that they have knowledge (combined with a positive perception) about its brand compared to an unbranded product. This consumer reaction creates positive value for the brand. Thus, brand knowledge is a key factor for consumer based brand equity and in order to get favorable consumer reactions to the marketing of the brand, it is necessary to establish knowledge structures. He defined brand awareness and brand image (associations) as the two core components of the brand knowledge (Keller, 1993, s.3). Understand brand equity from the customer’s point of view is essential because positive customer-based brand equity can lead to a greater revenue, lower costs, and higher profit, it directly effects the company’s ability to command premium prices, capture and maintain market share and avert new competitors (Keller, 1993, s.8; Quarles, 2012).

Although Aaker and Keller conceptualized brand equity differently, both used customer-based approach to define brand equity and argued that customer based brand equity provides value both for the firm and for the customers. Moreover, both researchers agreed on that brand awareness and image (associations) are important components of consumer-based brand equity. To put it very briefly, brand awareness can be defined as the recognition and recall of the brand by consumers. However, this does not guarantee that consumers attach a value to the brand. Brand awareness just means consumers recognize the brand and can identify it among different brands. Even though it is a very significant component, without a positive brand image it is not sufficient to create high brand equity. Establishing a successful brand name, being a preferred brand, competing with your rivals, creating top-of-mind awareness, they all are dependent on your brand image.

## **2.2. The Concept of Brand Image**

Does anyone pay thousands of Euros to a pair of non-branded shoes or a bag? This is very unlikely. Well then, without a brand label, can anyone really distinguish a Chanel bag or Christian Louboutin shoes from identical ones that produced by an unknown brand? Unless you are an expert or a professional in the fashion industry, this is unlikely too. If so, what makes possible for some brands to keep the prices of their products very higher than the similar/identical ones? Could it be awareness? Does anyone pay thousands of Euros to a Mango or a Gap bag? Most probably the answer is ‘no’. If the case would be brand

awareness, Mango and Gap are two brands about which the brand awareness is very high all over the world. The answer is ‘brand image’. Brand image is a key determinant for the positions of the brands in the market.

In simple words, brand image shall be defined as public perceptions about the brand. The American Marketing Association defines brand image as: “*The perception of a brand in the minds of persons. The brand image is a mirror reflection (though perhaps inaccurate) of the brand personality or product being. It is what people believe about a brand-their thoughts, feelings, expectations.*” (American Marketing Association, 2014). Aaker defines brand image (associations) as “*anything that is linked in memory to a brand.*” (Aaker, 1991, s. 109). Keller’s definition is consistent with Aaker. According to Keller, brand image can be defined as “*the perceptions about a brand as reflected by the brand associations held in consumer memory*” (Keller, 1993, s. 3). Brand associations that are held in a consumer’s memory are always a combination of various concepts such as attitudes, experiences, expectations, feelings, beliefs, knowledge, benefits, personal values, lifestyle, etc. (Aaker, 1991; Keller, 1993, s.4). East et al. (2008, s.48) argue that these concepts are interrelated with each other and together with their interrelationships, they have a significant role to determine the perception of the brand by consumers. In another words, the concepts and their interrelationships create the image of a brand.

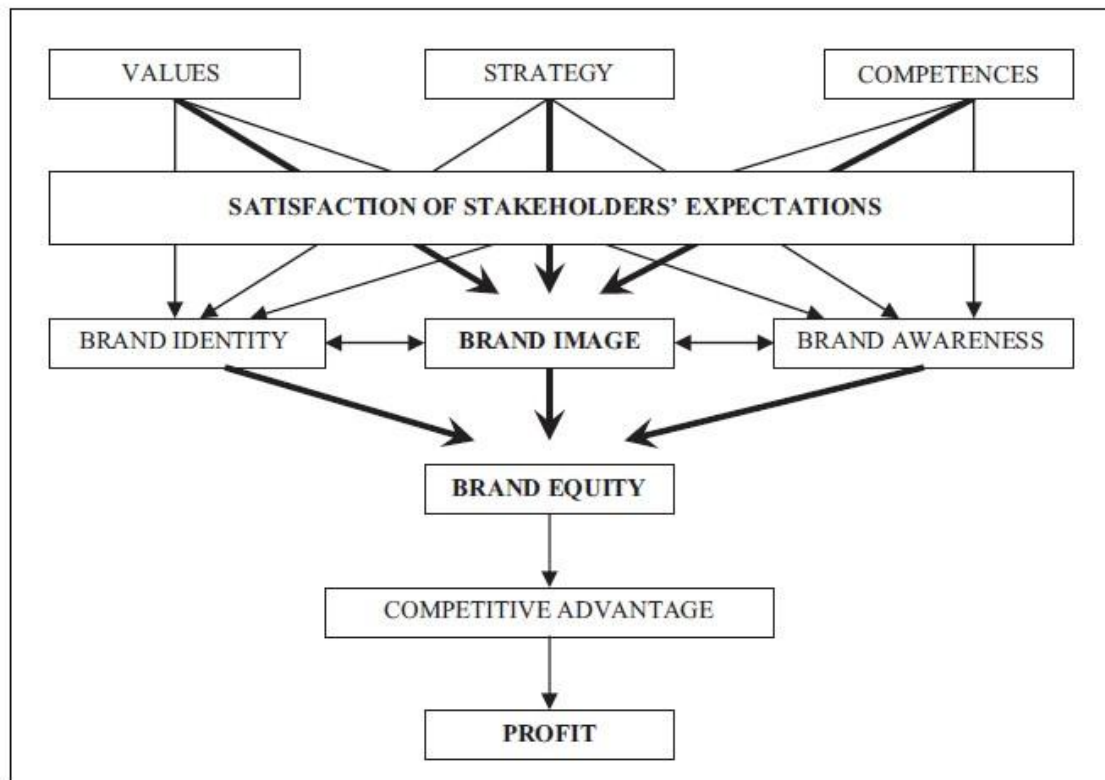
However, these concepts and their interrelationships are highly subjective and may vary from individual to individual since they are formed through personal experiences or information received from other people and the media. For instance, the image a consumer has in his/her mind about the quality of a product, may be based on the decoration of the store, location, product placement, attitudes of staffs, etc. Or a consumer’s perception about a product may be influenced by his/her experiences. I remember the air conditioners that I bought for my house. I went to the shop with a specific brand in my mind –because I had a very old air conditioner of the same brand at home and I had been very satisfied with that air conditioner’s performance (I will call the brand as X). However, in the store the staff suggested me to get another brand, which is cheaper and told me that it is the sub-industry product of the same brand that I asked for and exactly the same materials and same technology is used in the cheaper one (Brand Y). ‘Y’ was cheaper because it was not a well-known brand. I bought ‘Y’. However, I was not satisfied with its performance. It was noisy, frequently broke down and cooling-heating performance was lower than I expected. Today, I associate ‘Y’ with low price, low quality, low performance, bad service, fugacious products, etc. Contrary to ‘Y’, I still associate ‘X’ with high quality, reasonable price -because it has good value-, long lasting, high performance, etc. Maybe I was just unlucky with ‘Y’, maybe I

got the product from a defective product series, etc. Or may be 'X' has reduced its quality, thus its sub-industry products have lower quality too. May be if I bought 'X' I would have had the same problems. May be technical analyzes really found out that 'Y' was as good as 'X'. I do not know and it does not matter. My experiences have formed my perceptions about the brands. They are not based on objective facts, they are based on my subjective facts, my experiences.

Even though brand image is highly subjective, creating similar perceptions in the consumers' minds and building a positive brand image is vital for any brand. Initially, it directly affects the decision-making process of consumers. For instance, there are two similar products with similar function, price, quality, technology, etc. In such a case, the consumer heads towards his/her subjective perceptions and would choose the most familiar, reliable, attractive, environment-friendly, responsible or good quality brand based on his/her perceptions. So, the consumer's emotional perception about the brand determines his/her purchasing preferences. However, in buyer-supplier relations (business-to-business marketing) rather than having a positive brand image, not having a negative brand image gains importance. There are many parameters (such as price, delivery time, quality, good warranty, doing easy business with, being innovative, etc.) to determine supplier selection. So, in case of two similar products with similar functions, price, quality and technology, other criteria such as delivery time, being innovative, being easy to do business with, warranty, terms of payment, etc. are the ones that determine the decision. In such relations, several individuals and numerous criteria are involved in the decision-making process. Thus, instead of subjective perceptions, in order to provide maximum benefit to the company, buyers use as objective criteria as possible in the decision-making. In such a decision-making process negative brand image has a stronger impact rather than a positive brand image. A supplier with a positive brand image does not have a direct impact or benefit on the buyer's business. However, a supplier with a negative brand image could harm the buyer's brand image too. That is to say, while a positive brand image is a significant, but not a key determinant for supplier selection, a negative brand image may determine the decision not to use a supplier at all (Mudambi, Doyle, & Wong, 1997, s.436; Hague, 1994, s.35).

Secondly, brand image directly affects the brand equity. It helps consumers to identify and differentiate the brand, increases brand awareness, creates demand, enables profitable pricing, generates the basis to positioning strategies, provides competitive advantage and improves customer satisfaction (Aaker, 1991; Korchia, 2007, s. 3; Oliviera & Rodrigues, 2012, s.2). Thirdly, when we consider the positive outcomes of the brand image's effect on brand equity together with the stakeholder theory, we can infer that the brand image concept

is also a tool for stakeholder satisfaction. Parallel to our inference Popoli (2011, s.421) argues that a strong brand image provides not only customer satisfaction but also stakeholder satisfaction. Thus, he considers brand image as a ‘container’ of a company’s relationship competences (**Figure 2.1**).



**Figure 2.1** Reinforcement of brand image through satisfying stakeholder expectations

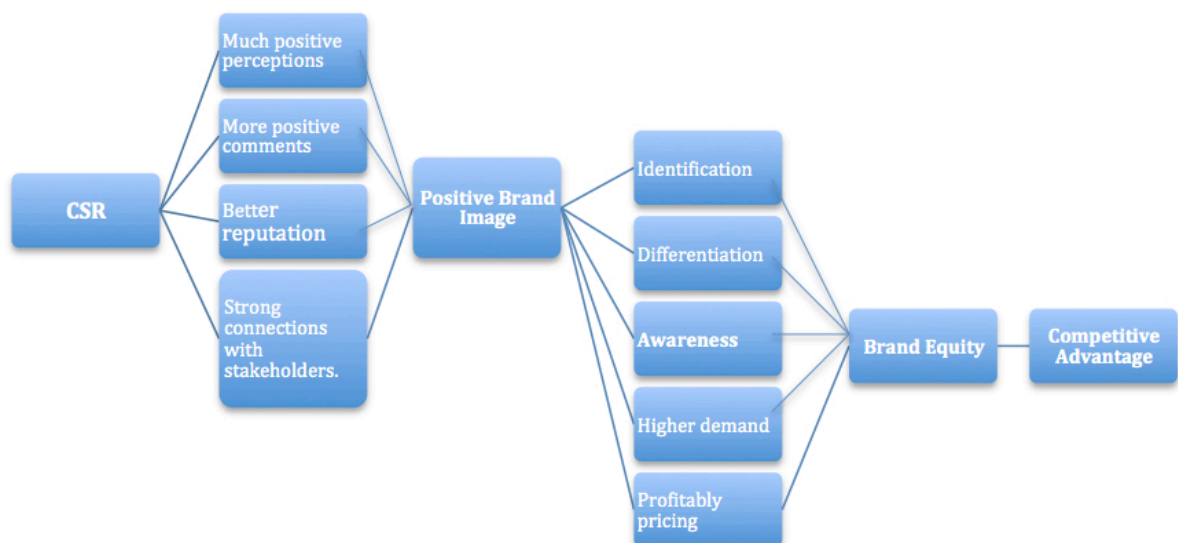
**Source:** Popoli (2011), Linking CSR Strategy and Brand Image: Different Approaches in Local and Global Markets. *Marketing Theory*, 11(4), 419-433.

According to Popoli, through satisfying stakeholders’ both tangible (product/service, price, promotion, place, etc.) and intangible expectations (economical and social values) a company can gain trust, reputation and credibility that reinforce brand image and transform it into profit. A positive brand image also influences the attitude of consumers towards the marketing program of the brand. If a consumer’s attitude towards a brand is initially positive, she/he reacts more favorably to the marketing program of the brand.

## CHAPTER 3

### THE EFFECTS OF CSR ON BRAND IMAGE

With the effect of globalization increasing product variety and availability has led to a change in marketing and branding strategies. As tangible differences decrease among similar products, in order to keep competing in the market, brands are struggling to differentiate themselves through intangible notions. Thus, customers' subjective perceptions and emotional bonds with the brand have become more valuable than ever. Because customers want to get associated with brands that they believe more than profit, corporate social responsibility comes to the forefront. Today, in order to establish a positive brand image, a growing number of corporations allocate a significant portion of their financial resources to strategies that engage corporate social responsibility into their businesses. Promoting brand image through corporate social responsibility has numerous favorable outcomes for the businesses. Initially enriching a brand with social, ethical and environmental concerns helps associating the brand with 'doing good, being good' in minds of its stakeholders. Such a positive association creates positive perceptions in the minds, encourages positive comments, redounds reputation, and strengthens connections with all stakeholders. These outcomes reinforce positive brand image and help to identify brand with 'good', differentiate the brand, contribute to brand awareness, create demand and enable profitable pricing (Aaker, 1991; Korchia, 2007 s. 3; Oliviera & Rodrigues, 2012, s.2). In the end these outcomes positively affect brand equity. (See Figure 3.1)



**Figure 3.1** Outcomes of brand image promotion through corporate social responsibility

Businesses that meet social responsibility expectations of their customers can enhance their brand image through positive customer perceptions created by CSR activities. Especially, in today's information age, consumers, who have high awareness and knowledge, are questioning what they really buy, if the products are better compared with similar products, if they are produced ethically or if they are certificated (Ecocert, Fair Trade, SCS Certified, etc.), etc. Such customers have the tendency to make their buying preferences in favor of the brands that adopt CSR programs. Thus, in order to create higher brand value, brands should respond to the growing awareness and demand for social responsibility by integrating CSR principles into their marketing strategies (Polonsky & Jevons, 2006, s. 341-342). According to Nielsen's Global Social Responsibility Report 66 percent of global consumers claimed to be more likely to buy products and services from a company that have implemented programs to give back to society. In addition, 46 percent of consumers are willing to pay extra for products and services from socially responsible companies (Nielsen Global, 2012, s. 3). The report shows that there is a positive relationship between CSR actions and consumers' attitude about buying preferences of socially responsible companies' products and services. As confirmed in the findings of this report, CSR is beneficial not only for building a positive brand image but also building positive attitudes towards a brand, so it is one of the key elements of competitive advantage for a company (Naqvi et al., 2013, s. 80). Additionally, according to a survey conducted in 20 developed countries in 2001, corporate social responsibility has 49% effect on brand image (Polonsky & Jevons, 2006, s. 341). This result is not surprising because the brand image is an indicator for stakeholders to evaluate the whole performance of a corporation -including the social performance-.

The Body Shop is accepted a success story all over the World as a reputable brand that has built its entire image on being socially responsible which has been more effective than traditional marketing strategies. The brand is created in 1976 by Anita Roddick. The brand became popular with its ethical practices and the environment friendly approach. It has successfully manufactured an image of being a caring company by adopting five core values, which are supporting community fair trade, defending human rights, being against animal testing, activating self-esteem and protecting our planet (The Body Shop, 2012). Imagine, whenever the topic is being a socially responsible brand there is always a reference to The Body Shop. Is a better advertisement possible? According to a survey among shareholders of The Body Shop, 90 per cent of the respondents agreed on that The Body Shop takes active steps to make its business more environmentally responsible (Hopkins, 2003, s. 90-91). Even after the brand's sale to L'Oréal, despite the negative image of the parent company, the Body Shop brand has succeeded to protect its image.

Toms Shoes is another brand that integrates corporate social responsibility into its operations and strategy successfully. Same as The Body Shop, Toms Shoes also built its entire brand image on corporate social responsibility. The brand focuses on social and environmental impacts of its products and operations, sustainability, using natural and organic materials in its products and recyclable packaging. However, what carries Toms to a special place in terms of corporate social responsibility is its unique 'one for one' model. The model is actually very simple; for every pair of shoes purchased, the company donates a new pair of shoes to a child in need. Later on, the model expanded to Toms eyewear too. With every pair of eyewear purchased the brand restores sight to a person in need. So, basically the brand makes its customers feel as they do help other people in need, when they make a purchase. By publishing donation videos through its corporate website or YouTube, the brand also lets the customers get involved in the donation experience and corroborate their feelings about doing good with their purchase decisions (Toms corporate web site, 2014).

Initially, it has been stated that brand image is based on the perceptions of individuals, therefore highly subjective. However, it seems both The Body Shop and Toms Shoes have succeeded to create similar perceptions in the minds of their stakeholders. Secondly, if we combine this fact with the outcomes of Nielsen Global Social Responsibility Report we can deduce that a positive brand image has potential to create value for the brand. Because, most of the global consumers agreed on that they would prefer socially responsible brands and almost half of them are ready to pay extra for such brands. So, accepted as socially responsible brands, both The Body Shop and Toms Shoes have succeeded to identify and differentiate their brands, create demand, enable profitable pricing and provide competitive advantage.

Building a positive brand image through corporate social responsibility is vital not only for brand equity and competitive advantage, but also to deal with possible business failures. Any business may face with a failure one day. In such a case, a positive brand image undergirded by corporate social responsibility implementations is the one that will continue to support a brand and provide some extra credit for the business. In 2007 after the Observer's research on children making clothes that has discovered the children were being sold by their parents to work in a sweatshop in New Delhi to sew clothes for Gap in extremely bad conditions, GAP faced one of the biggest crises that a company has ever experienced. Even though GAP adopted a CSR program, supported with a code of conduct and announced its social audit system in 2004, the system was abused by its supplier, who was subcontracted to an unauthorized subcontractor. In order to allay public response, the company went on to emphasize that they've had one of the industry's most comprehensive programs within the



context of corporate social responsibility (Gallegos, 2009, s. 4). In 1996 NIKE experienced a similar crisis; again a sub-contractor in Pakistan was using child labour in the production process of soccer balls for NIKE. Suddenly media and public attention focused on NIKE's labour practices abroad (Boje & Khan, 2012, s. 12). Both companies experienced the loss of their brand images. In 1998, Nike started to experience a drop in share values and a decrease in sales as a result of its negative image. The CEO Philip Knight had to admit: 'The Nike product has become synonymous with slave wages, forced overtime and arbitrary abuse' (Herbert, 1998). Even though both brands refused to undertake the sole responsibility and blamed their suppliers, they were inadequate to explain why and how the supplier violated the agreement or why they found out about child labor violations from press instead of from one of their officers. Moreover, in both cases the companies' suppliers were located in developing countries, which had child labour laws, but did not successfully implement them. So, using child labour by suppliers or sub-contractors was a predictable risk for multinational companies, operating in such countries. It is companies' duty to audit their contractors and sub-contractors in an effective way. However, it is not our point to discuss if they were responsible or not. Even though they were not, once a brand name is negatively mentioned together with a moral issue, like child abuse and there is a huge media attention on it, it does not matter if your brand is legally responsible or not. From that point it is very unlikely to keep the negative perception out of public's mind. After these crises occurred, in order to gain their image back GAP and NIKE increased their visible corporate social responsibility practices, especially in the fields of human and labour rights. Even though they overcame the crisis and succeeded to gain their reputations back, because people, but -more importantly- the internet still remembers what happened in the past and -may be not as strong as it was before- but still the brand names are linked with child labour and human rights violations.

## CHAPTER 4

### CSR IN TURKEY

#### 4.1. The Status of CSR in Turkey

The concept of Corporate Social Responsibility has become popular from the 2000s in Turkey. According to Fadile Paksoy, President of Benchmark Agency that provides consulting services to companies, CSR implementations before 2000 were limited with grants, donations, scholarships and sponsorships. After the 2000s, the extent of CSR implementations has changed and a growing number of institutions started to develop CSR projects (Paksoy, 2012). However, the number of corporations that are aware of CSR is still insufficient in Turkey; only %52.9 of Turkish companies are aware of CSR and %47,1 of them do not have any idea about it. Additionally, large-size enterprises have higher awareness (%56,9) compare to medium-sized businesses (%33.3) (Varçın, Ergün, Gülçübuk, & Turan, 2013, s. 41).

With the boost effect of corporate social responsibility trend all over the World, the Turkish companies have noticed the concept as a complementary and much charismatic element of traditional marketing and advertising efforts. Many companies have begun to develop corporate social responsibility projects in order to improve their brand image, recognition, reputation and profitability. According to Ceyda Aydede, the Chairman of Global Publicity and Public Relations and author of 'Emerging Trend: Corporate Social Responsibility', besides successful CSR practices that are identified with the brand, there are plenty of failed practices in Turkey. The numbers of brands that conduct the CSR practices properly are very few. Many brands use the CSR practices for their own commercial concerns. However, in the long term this strategy usually backfires. The main reason behind the failure is developing projects only for 'marketing' concerns (Özçelik, 2009). Certainly, marketing the brands is a significant concern for corporations, but, if it is the sole concern behind the project idea, the public easily feels the insincerity. In such a case a failed practice would harm the brand more than improving it, because, instead of contributing to brand reputation and image, the project would cause a 'sordid' perception about the brand in the consumers' minds. In order to influence consumer perceptions, some Turkish firms claim that they develop large CSR projects with huge funds, but at the same time they enforce wide scale dismissals without executing their prior social responsibilities. However, it seems such corporations miss a point that, through internet, traditional media and social media today's consumers are able to reach information and such hypocrite practices cannot be hidden for a

long time. In the short term such approach may seem efficient. However, in the long term it will definitely harm the brand and create a negative impact. The results of 'Meaningful Brands Index 2013' are proof for that. According to the global research of Havas Media only %41 of Turkish citizens think that brands communicate honestly about their commitments and promises (Havas Media, 2013). Communication professionals complain that some companies with no former corporate social responsibility practices, ask them to develop a successful project with a high level of awareness such as Haydi Kızlar Okula (The Girls' Education) or Baba Beni Okula Gönder (Dad, send me to school), etc. Or they complain about the brand 'A' maintain its social responsibility project with a very little budget, our brand spends more money, but at the end the people think 'A' is more successful than us in terms of corporate social responsibility. However, such companies fail to notice that developing a successful CSR project is not 'solely' about the concept of the project or the budget. Certainly, the projects that meet the public expectations have a better chance to be successful and gain awareness, but this is not adequate. The brand's former practices, other CSR implementations and experiences also affect the success and visibility of the projects. In order to be successful, a project should fit to mission, vision and principles of the brand and should get the support of top-management. Projects should meet the needs of brands and stakeholders, have an accurate positioning, have appropriate and effective collaborations, focus on problem solving, and be sustainable (Paksoy, 2012). Elvan Oktar, founding partner of ERA Research & Consultancy, argues that the impact of social responsibility projects is linked to many external factors, but the most important factor is promoting the project efficiently. Secondly, CSR projects that cover a public concern such as health or education, contribute to brand in a more effective way. Thirdly, 'sustainability' of the project is another factor that affects the success. Unsustainable projects will be forgotten eventually, it does not matter how important they are. Lastly, the projects should associate with the working field of the brand. Otherwise, it would fail easily (Kariyer Info, 2006). Chairman of Turkey Corporate Social Responsibility Association, Serdar Dinler, states that if you want to get a high level of contribution and create a win-win situation both for corporation and for stakeholders, you have to adopt CSR into your corporate culture. Otherwise, the projects will not go beyond being a marketing tool and will encounter with negative reactions from customers. They will feel cheated and next time they would not choose that brand. Once a brand loses confidence of customers, it is very difficult to regain it (Özçelik, 2009). Another point is that, more educated and sensitive customers are discussing the sincerity of the CSR projects, including the successful ones when they realize the huge difference between total marketing budgets of the brands and the budgets that they reserve for CSR practices. For example, a popular brand with a marketing

budget over 500 million dollars per year, transferred only 2 million dollars in 4 years to its CSR project that was announced with an intensive advertising campaign. Or some professionals claim that the advertisement budget of a popular and successful CSR project is 10 times more than the project budget (Zengin, 2012). Such examples and intensive advertisement campaigns lead the consumers to question sincerity of the CSR projects of Turkish brands/corporations. According to research that aims to understand Turkish executives' attitudes towards business ethics and social responsibility, Turkish executives believe that social responsibility ensures profitability in the long run, in order to create a positive image, corporations should use social responsibility, corporations should take into consideration of public interests for long term success. The research also proves the marketing-centered perspective of CSR implementations in Turkey. (Güçdemir, 2008, s. 66).

A further problem about CSR practices of Turkish corporations is that they focus on specific responsibilities and specific forms of implementation. The Turkish corporations commonly shape their CSR strategies through philanthropic responsibilities. While doing that, they focus on a very limited area. For example, as it has already been mentioned, according to TBL theory CSR has social, environmental and economic aspects. The social aspect of CSR involves three main responsibilities; product responsibility, responsibility in workplace and responsibility towards community. Since the practices of community responsibility are usually the most visible dimension of CSR practices, most Turkish corporations and brands focus on such practices. They usually develop projects for women, kids, youth, education, sports, art or protecting cultural values (Özçelik, 2009). However, most of them miss their environmental responsibilities or responsibilities in workplace. Very limited number of corporations focus on reducing their carbon footprints, energy efficiency, recycling, human rights, labour rights, labour practices and decent work, employee participation in decision making, etc. (Göçenoğlu & Onan, 2008, s. 7). For example, mobbing is still a big problem in Turkey (The Grand National Assembly of Turkey-The Committee on Equal Opportunities for Women and Men, 2011), or Turkey is 3<sup>rd</sup> in Europe in greenhouse gas emissions and contrary to developed countries, Turkey's greenhouse emissions are increasing ([www.yesilekonomi.com](http://www.yesilekonomi.com), 2013), etc. CSR is not about just making donations or developing projects that built schools or dormitories. Reducing water and electricity consumption, avoiding waste of paper, or reducing fuel costs in daily operations should be considered as a part of corporate social responsibility. When the corporations develop environmental projects, they prefer planting trees or protecting and increasing the number of specific kinds of trees, which are relatively easier to perform. UNDP assessment report also

confirms that Turkish companies prefer to focus on basic social and environmental issues, which are relatively simple to operate (Göçenoğlu & Onan, 2008, s. 9).

In order to understand public perceptions, once in a year, Capital magazine publishes a 'CSR research' for Turkey that is prepared by GFK, a market research company. According to the results of this research (2013), more than 63 per cent of public believes that institutions and individuals have responsibilities towards social issues. According to the research, the prior social responsibility expectation are 'contributing to the education and training', following by 'providing support for health care' and 'providing support for protection of the environment and nature'. The majority of respondents agree on using various communication tools such as television, radio, and newspapers in order to announce CSR activities. However, only 4% of the respondents are fully, and % 42 of the respondents are partly aware of corporate social responsibility activities of firms. According to European Commission Report 'How Companies Influence Our Society: Citizens' View' (2012) only 13% of Turkish citizens feel informed about what companies do to behave responsibly towards society and only 32% of Turkish citizens are interested in having this information.

Multinational companies operating in Turkey positively affect CSR practices. They put pressure on their suppliers and their local branches for implementation of corporate social responsibility. This pressure is a driving force for other Turkish corporations to implement CSR into their operations. Despite all these pressures, most of Turkish branches of multinational companies lag behind their headquarters and usually do not go beyond project-based activities/campaigns. Regulations and laws that are imposed by international conventions and Turkish government in the process of OECD membership and the European Union accession can also be defined as the driving forces (legal) for the development of corporate social responsibility practices. However, there are several laws that can attribute to CSR, a law that is specifically designed for CSR still does not exist (Göçenoğlu & Onan, 2008, s. 12).

As a result, in Turkey CSR activities are perceived as a tool for marketing and creating a positive corporate image. Many companies and stakeholder groups are trying to involve and shape the process through sponsorships, philanthropy and the projects for kids, youth, education, sports, art or protecting cultural values. Nevertheless, in general CSR do not integrate into the corporate structure as a whole and remains project-based activities/campaigns. Thus, public has doubts about the sincerity of the projects. In this context, it can be said that CSR is a process that is still being formed in Turkey.

## 4.2. Successful CSR Practices in Turkey

In Turkey, there are numerous corporate social responsibility projects established and maintained by various public institutions and organizations, private companies, NGOs, non-profit associations and foundations. Turkish citizens listed the most successful CSR projects as; Dad Send Me to School (Baba Beni Okula Gönder), Snowdrops (Kardelenler), Mothers and Daughters Together at School (Ana Kız Okuldayız), The Girls' Education Campaign (Haydi Kızlar Okula), No! to Domestic Violence (Aile İçi Şiddete Son), Heart Bridge (Gönül Köprüsü) and 81 Forest in 81 Provinces - 81 ilde 81 orman (GFK, 2013). While the public expects contribution to the education and training, they intensively attribute the success to the educational corporate social responsibility campaign.

### 4.2.1. Dad, Send Me to School (Baba Beni Okula Gönder)

It is a well-known fact that education of children, especially girls, is one of the most important and prior issues of Turkey. According to unofficial data, in 2004, roughly 1.5 million of children in primary school age were not going to school; 1 million of them were girls (Unicef, 2005). Recognizing that fact and considering primary role of the girls in upbringing of future generations, Milliyet Newspaper launched a social responsibility campaign called "Dad, Send Me to School" in 2005, aiming to make a difference both for today and tomorrow. After 2011, Doğan Medya Group has shouldered the project.<sup>2</sup> The campaign has organized in cooperation with local NGOs such as Association for Supporting Contemporary Living (ÇYDD), Turkish Association of University Women (TÜKD), Turkish Family Health and Planning Foundation, Mother and Child Education Foundation (AÇEV) and the Turkish government, especially the Ministry of Education (Doğan Holding Corporate Website, 2011). The main purpose of the project is to ensure that the girls -who left the school by reasons beyond their control- return to school and to transform them into productive individuals. Within the context of the project obstacles that prevent girls to enroll in schools were identified, a series of activities were organized to raise awareness. Most of these girls left school due to economic problems, family pressures or even though their families wanted to send them to school they were unable to continue because there is no school in their village, and there was no dorm in the nearest place with a school. Milliyet donated money to this campaign and through TV shows (with the participation and support of the popular artists) Turkish public were called to donate to this project. Also, government officers and popular Turkish artist visited some families in order to convince them sending their daughters

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<sup>2</sup> In 2002, when the project has started, Doğan Media Group was publishing Milliyet. After the sales of the newspapers in early 2011 to another media group, the project has continued with the leadership of the Doğan Media Group.

to school. Training seminars for parents, school administrators and teachers, hygiene and health seminars for female students staying in dormitories were organized with the support of various foundations and institutions. The efforts carried out within the campaign can be divided into three groups (Özgen, 2006, s. 156);

- Financial support
- Increasing social awareness
- Eliminating the structural problems

The project succeeded to gain public awareness extensively. 300,000 individuals who made donations and 34 million TRY that was raised through donations are clear indicators of success of the project (Doğan Holding Corporate Website, 2011). Since 2002, 33 dormitories and 11 elementary schools were constructed and 10,524 girls received educational scholarships. The support of the top-management reflected into campaign in a positive way (Özgen, 2006, s. 162). Since 2005, the campaign has been chosen as the most successful CSR project by public in annual CSR research of Capital magazine. From the beginning the project won several awards. It has been chosen as the best CSR project by Turkey's leading universities such as Galatasaray, Yıldız Technical University, Marmara University, etc. The project also won international awards such as; World's Children Association - Appreciation Award, IPRA United Nations Special Award (Honorable Mention) (CYDD, 2011). Later, Turkey's leading brands such as Metro Group, Kamil Koç and Filli Boya supported the project and associated their brands with the project. Awarded as the most successful projects since 2005, the public support to the project is the indicators that the project has high public awareness and positive perception. In this case, the project is regarded as a successful project that makes positive contribution to the brand image.

Doğan Media Group seems very successful to implement CSR projects. Besides Dad send me to Scholl, the Group has famous projects namely 'NO! to Domestic Violence' and 'Rightful Women Platform'. However, in the group's web site under the title of CSR only social dimension of CSR projects are placed. They mention their workplace practices under the human resources title. There is no information indicating that the group considers CSR as a whole.

#### **4.2.2. Snowdrops (Kardelenler)**

A Turkish mobile phone operator brand Turkcell, supports the project in order to "contribute to the creation of qualified human resources" with the vision of "Kardelenler-Contemporary Girls of Contemporary Turkey". The brand carries out the project with two

project partners The Ministry of Family and Social Policies and the Association for Supporting Contemporary Life since August 2000. Before 2007 the project was covering 5000 scholarships/year, after 2007 the scope has extended to 10,000 scholarships/year for young female students that have tendency and commitment to pursue education. The project, aims to ensure equal opportunities in education for female students who could not continue their education due to financial difficulties. Since 2000, within the compass of the project approximately 100,000 students received scholarships, 17,000 students graduated from high school, 1800 students graduated from university. On the other hand, as a part of Snowdrops project, in order to contribute to the development of social and behavioral skills of the students who got acceptance from a University a mentorship program was enacted in 2004. Volunteer ‘mentors have been found to support the students in their new lives. The first mentors have been selected among the professional women working as executives in Turkcell or women journalists. This ‘mentorship’ program was applied for the first time in Turkey.

The success story of the female students, who receive scholarships from the project, was subjected to a book named ‘Snowdrops’ in 2004 and the income of the book sales donated to the project too. The Project, was filmed by National Geographic in 2009 as a documentary. It was the first social responsibility project that was aired on National Geographic Channel. In addition, an exhibition of the photos that were taken by National Geographic team during the documentary preparations was organized. The project has also won several awards both nationally and internationally. Some of them are listed as; IPR Excellence Awards in the Corporate Social Responsibility Category (2001), WEPR’s (The Foundation of Women Executives in Public Relations) Crystal Obelisk (2002), PR News – CSR Awards Honorable Mention (2005), European Sponsorship Association Business to Community Winner (2008), World Communication Awards – Corporate Social Responsibility Winner (2012) (Turkcell Corporate Web Site, 2014).

The ‘Snowdrops’ is a very important project as being Turkey's pioneering education project and Turkcell's first comprehensive social responsibility initiative. The project lead to other CSR projects in Turkey such as ‘Dad Send Me to School’, ‘Mothers and Daughters Together at School’, and ‘The Girls’ Education Campaign’, etc. The project received huge public support and became one of Turkey's most important social responsibility projects. With the ‘Snowdrops’ project, Turkcell succeeded in making a difference and a positive contribution to a public concern. Moreover, the appreciation of the project in international arena, and being a subject to a National Geographic documentary has increased trust and appreciation both to the project and the brand. Certainly, the project created a positive perception in the consumers’ minds about Turkcell.



Recently, Turkcell also introduced a television spot that directly links the purchase of Turkcell services to support for the project with a message “by purchasing Turkcell services you help the children who need educational support”. In the beginning the advertisement strategy was mainly based on collecting donations from the public and highlighting the support of the brand to the campaign. However, now it seems the brand is aiming to move its socially responsible brand image to a higher level and create a perception in the consumers’ minds as ‘I am doing something good, I help other people and contribute to their happiness while I am purchasing Turkcell services’.

After all, it can be said that Turkcell is very successful to implement CSR projects. In the brand web site under the title of CSR same as Doğan Media only social dimension of CSR projects is placed. The brand diversified the responsibility areas such as education, sports, entrepreneurship, employment, art, sustainability, etc. There is no information indicating that the group considers CSR as a whole. They see workplace practices as a part of their human resources policy, they do not mention about product safety or quality, stakeholder concerns, etc. under the corporate social responsibility title of their website.

#### **4.3. Further Information and Assessment of CSR in Turkey**

As being one of the leading brands that develop CSR projects with the rising popularity and changing extent of the corporate social responsibility concept from the beginning of 2000s, Turkcell has succeeded to integrate ‘being socially responsible’ into its brand image. Brand’s successful CSR projects especially ‘Snowdrops’ which is usually placed in the first rank among the best-known or most admired CSR projects can be considered as a proof of it. The brand’s corporate social responsibility practices are not limited to educational or women issues. The brand spread its efforts into different areas including sports, entrepreneurship, employment, art, supporting disadvantaged groups, etc. These efforts have helped the brand to achieve a socially responsible brand image. Consequently, the company has become one of the most admired companies of Turkey. Same as Turkcell, Doğan Media also maintains successful CSR projects. Especially ‘Dad Send Me to School’ is a very successful project with high brand awareness and public support. However, compared to Turkcell, the projects effect on Doğan’s CSR ratings and brand image remains lower. This may be due to a couple of reasons. Initially, Doğan Medya is an umbrella brand that includes some powerful brands such as Hürriyet, Radikal, CNN Türk, Kanal D, etc. whose brand awareness is higher than the umbrella brand. This may cause lower rankings in the lists and sometimes its powerful brands such as ‘Hürriyet’ collect the credits instead of Doğan Media. Secondly, the project was launched and carried out by ‘Milliyet’

until 2011. 9 years is a long period and the project was associated with Milliyet. Still in a Google search there are many attributions to Milliyet. Therefore, consumers might have confusions and such confusions would cause consumers having difficulty to associate the project with Doğan Media.

Brands' increasing efforts on social responsibility issues, raising media and celebrity support to CSR campaigns such as "Dad Send Me to School " and "Snowdrops" prove the existence of a positive social responsibility perception in Turkey. Today, how the brand is positioned towards the problems and what kind of solutions is produced by the brand determines consumer preferences. In this context, the number of the brands that develop social responsibility projects for women is increasing in Turkey, because women's position in the society is one of the biggest problems in Turkey. According to World Economic Forum's (WEF) Gender Gap Index (2013), Turkey ranks in 120 out of 136 countries. Moreover, the surveys confirm the public expectation for women focused projects. According to 'Media Monitoring' report (2014), projects for women create a positive impact on the buying behavior of 74% of Turkish consumers, 45% of Turkish consumers attach importance and 43% of consumers attach high importance to CSR projects for women and 41% of consumers believe the sincerity of such projects. In the same report, Turkcell (22%), Koç Holding (4%) and Hurriyet (3%) are listed as the first brands that come to mind with their CSR projects for women. The first CSR projects coming to minds of the consumers listed as; Dad Send Me to School (56%), Snowdrops (52%), The Girls' Education Campaign (45%), and NO! to Domestic Violence (25%). Thus, Turkey is experiencing a boom in CSR activities for women. The number and popularity of the projects focusing on different areas are very low. Ultimately, diversity of the projects is gradually decreasing and the projects are becoming identical. In this way, instead of being responsible, such projects have become a competition tool. In Turkey there are other big problems such as; internet usage, clean energy, promotion of recycling, endangered animals and plants, etc. The number of corporations address these issues are relatively low. Moreover, by focusing only on community responsibility, Turkish brands/corporations are missing their product responsibility, responsibility in workplace or their environmental responsibilities. Turkish corporations should remember that being socially responsible is not just about women's position, girls' education, or protecting women from violence. Corporate social responsibility is a very significant issue that requires sensitivity, effort, research and time.

As a result, CSR projects back to the brands as identification, differentiation, awareness and higher demands. In this context, it is certain that corporate social responsibility practices made a positive contribution to the brand image in Turkey. However brands

inadequacies to spread CSR into different areas and instead of taking CSR as a whole, focusing on project-based CSR campaigns has caused questioning the sincerity of the CSR practices. Therefore, the effect of CSR on brand image remains on a limited level in Turkey.

## CHAPTER 5

### CSR IN THE EUROPE

#### **5.1. The Status of CSR in the Europe**

In Europe, CSR activities have become popular from the beginning of the 1980s. Today, CSR proponents have increasingly gained support within Europe. Many European corporations have adopted CSR policies into their businesses. Some EU member states such as Britain, Denmark and the Netherlands are taking measures that encourage the corporations to adopt corporate social responsibility strategies into their businesses. The concept has also gained importance in the EU policy, too. It is not a surprise, since Europe in general – traditionally- has more CSR-consistent values, norms, and perceptions than in other areas of the World (Mullerat, 2010, s.236). As a consequence of that, European corporations and the EU attach more importance to CSR.

The concept of CSR has gained importance in the EU policy in 1995, with ‘European Businesses Network for Social Exclusion’ which was founded to give a lasting nature to the ‘European Declaration of Businesses against Social Exclusion’ signed by a group of European Entrepreneurs and business Directors under the leadership of Jacques Delors -President of the European Commission (1985-1995)- in order to find ways to improve social responsibility (CSR Europe, 2014). In 2000, Lisbon Summit, with the momentum created by the network of businesses, the EU heads of state made an Appeal to make Europe “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.” (Lisbon European Council, 2000, para. 5). That was the first formal appeal to companies’ sense of CSR in Europe (Mullerat, 2010, s. 236). In 2001, the European Commission published a Green Paper on “Promoting a European Framework for Corporate Social Responsibility” covering responsible actions during corporate restructuring, work/life balance, corporate codes of conduct, social rights, etc. In 2002, a new legislation required companies to publish an annual social and environmental performance report and EU Multi-stakeholder Forum on CSR to exchange good practices, to assess common guidelines and to encourage greater awareness was established. Moreover, in the same year, the EU issued a communication on corporate social responsibility ‘A Business Contribution to Sustainable Development’ to integrate social and environmental concerns into business operations and into stakeholder relations on a voluntary basis. In 2006, the EC issued a second communication on CSR to create a European Alliance for CSR acting as a political umbrella for CSR initiatives of companies and their stakeholders,

called “Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on CSR”. In October 2011, the European Commission issued a new communication and a new policy on CSR. According to the communication, in order to fully meet their social responsibility, corporations “should have in place a process to integrate social, environmental, ethical and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders” (European Commission, 2011, s. 6). In spite of the increasing interest of the EU in CSR, because the EC refuses mandatory regulations and prefers voluntary measures, the concept is still based on volunteerism in the EU.

At individual Member State level, the issue of CSR has been gaining importance. However, CSR approaches vary from country to country. Thus, there is not a common “European” approach to CSR yet. For example, CSR is a relatively new concept in Poland where it was introduced in the 2000s. But, in Spain, the initial steps of CSR has taken in the 1990s when the concept of Social Responsible Investment (SRI) was introduced. While the CSR originates in the 1990s in Romania, the first publications dealing with ethical issues in business activities date back to 1959 in Finland (Mandl & Dorr, 2007, s. 11-12). These time differences lead to different levels of CSR awareness, practical implementation and various CSR approaches. The EU governments’ approaches to the concept also vary. Governments such as Britain, Denmark and the Netherlands, are promoting CSR as a means of tackling problems caused by multinational in developing countries and leading attempts to devise a public policy approach to CSR. On the other hand, governments such as Germany and Austria are more suspicious to the necessity of CSR and remain skeptical as to whether corporate social responsibility can help to tackle social and environmental problems (Nae & Grigore, 2008, s. 239-240). Such different government approaches also lead to various levels of CSR awareness and implementation. United Kingdom, Sweden and the Netherlands are the EU member states that have best practices in the EU (Bertelsmann Stiftung, 2006, s. 6-8). In the EU member states, CSR is based on volunteerism. However, some Member States such as United Kingdom have mandatory CSR reports publishing annually that include information on their environmental and social impacts and performance. According to news, the EU is also getting prepared to force big businesses to include information on their environmental performance and impacts, as well as data on diversity, in their annual financial reports (Russel, 2014). Besides CSR policies at the EU level, the EU also encourages MS to enforce the use of internationally agreed standards such as the OECD Guidelines, UN Global Compact, the ILO Tri-partite Declaration of Principles on Multinational Enterprises and Social Policy and the ISO 26000 Guidance Standard on Social Responsibility. Despite the EU

policies and international standards, there are significant differences among MS in the implementation of CSR policies and practices. While ethical concerns are playing a dominant role in Anglo-Saxon countries, environmental concerns are more effective in Northern Europe and social issues are more determining in Southern Europe, in central and east Europe, CSR does not have a strong ground (Furrer, et al., 2010, s. 380).

European corporations accept CSR as a main part of their business activities that are characterized by an integrated approach including environmental, social and economic considerations (Tatesi, 2014, s. 2). They accept CSR as a tool to ensure competitive advantage, create new business opportunities and achieve greater corporate value. Today, European corporations are using CSR to offer something better than other corporations and to gain market predominance (Tatesi, 2014, s. 2).

In general, the EU citizens have a skeptical insight about corporate social responsibility. According to the survey that was conducted by TNS Political & Social at the request of the European Commission, Directorate-General Enterprise and Industry, there is an information gap in Europe: Although 79% say they are interested in what companies do to behave in a responsible way, only 36% say they feel informed in this area. Thus, almost one half of Europeans do not feel informed about what companies do to behave in a socially responsible way, but that they are interested in this information. Only 52% of European citizens believe that companies have a positive influence on society. They believe (71%) that small and medium sized companies make efforts more than large companies to behave socially responsible. Most of Europeans believe that their company has taken effective measures to behave in a socially responsible way (53%). Finally, EU citizens consider job creation (57%) as the most positive influence companies have on society (European Commission, 2012).

To sum up, traditionally, European corporations and the EU attach more importance to corporate social responsibility. Corporate social responsibility strategies and practices are mainly based on voluntary actions of corporations in the EU. However, EU policies and international standards put pressure on corporations to adopt corporate social responsibility into their businesses. European corporations do not see CSR as a separate part of their business, contrary; their business activities are characterized by CSR. They also perceive CSR activities as a tool for ensuring competitive advantage, creating new business opportunities and achieving greater corporate value. In these terms, they do not use CSR only as a marketing tool creating a better brand image. They see CSR as a main component of their brands. Thus, in corporation level, rather than project-based marketing focused CSR activities, they handle CSR as a whole, including social, environmental and economic aspects. They focus employee relations, human rights or environmental issues more than philanthropy.

## **5.2. CSR Practices in Europe**

Since CSR is a main part of European corporations' business activities and they embrace an integrated approach including environmental, social and economic aspects instead of project-based implementations, they prefer to implement CSR policies into their businesses. With the incentive of the EU policies, they report their CSR performance both socially and environmentally. They especially focus on being responsible in their workplace namely; respecting human rights and labour rights, eliminating child labour and discrimination, effective representation and participation of employees and creating a decent workplace by promoting health and safety of employees, managing diversity, promoting cultural awareness, establishing the work-life balance and providing training, development and life-long learning opportunities to employees. Lately, reducing carbon footprint has also become another popular CSR activity in the EU member states. Within this context, in general the European corporations operate in a socially and environmentally responsible way. However, they prefer to adopt CSR into their business strategies, rather than having huge CSR campaigns with flashy advertisements and excessively high budgets.

### **5.2.1. Today for Tomorrow**

Twenty years ago, people over their fifties were seen as less productive. Thus, it was rare to continue working among the people who were over fifty years old. However, today a large number of older workers still participate into the work force. Aging population and workforce are becoming one of the most important problems of Europe. However in Germany, because the population is shrinking and aging faster than other countries, immediate solutions are needed.

BMW Group is a well-known German automobile, motorcycle and engine manufacturing company. The group's Human Resources (HR) and Industrial Relations department has been monitoring demographic changes since 2003. Following a workshop on demography in which staff managers of the company's various plants and the HR management identified issues of strategic importance, the 'Today for Tomorrow' was launched in 2004, to deal with the demographic changes in BMW's workplaces (Eurofound, 2006). BMW has piloted workplaces in Germany, since the majority of the workforce is employed in Germany and also demographic change is particularly dramatic in the country. Age structure analyses showed that the group was tend to hire young employees in the past and now they are ageing together. This would cause two problems; because of the lack of old-age recruitment, little new expertise will enter the company and in the future, a large number of employees may retire from the company more or less at the same time, which might lead to

recruitment problems and also a ‘brain drain’ of important know-how (Eurofound, 2006). Therefore, the group has adopted additional recruitment principles in order to establish a more heterogeneous workforce. As a part of project, to make workplaces more age-appropriate, a common work has conducted with employees, planning engineers, physiotherapists and doctors. Moreover, five fields of action have been determined; health management, qualifications, work environment, retirement models, communications and change management. In 2011, the predicted average age at a production line stimulated in a pilot plant and changes such as barbershop chairs, orthopaedic shoes, magnifying lenses, enhanced lighting, tilted screens, new machines reducing physical demands, employee rotation, multiple short breaks, fitness centres and physiotherapy treatment were introduced in order to increase productivity. The Group also supported its older employees with flexible work options, including temporary part-time positions, intermittent part-time work, and job-sharing among several employees; a sabbatical program allowing employees an additional 20 days off a year; and a phased retirement program (Makhija, 2013). In return, the group increased productivity by seven per cent in one year.

The project is very significant since it deals with one the most important problems of Europe, which proves that with small modifications, older workforce could work as efficiently as younger employees and draws a map for other corporations. In the website of the brand, corporate social responsibility is handled as a whole. By this means, the brand succeeded to become one of the most respected brands in terms of CSR. Instead of focusing only one project for marketing purposes, the brand adopts CSR policies that put forward responsible supply-chain, employee satisfaction, sustainable products, etc. Therefore, the brand does not allow doubts about the sincerity of its CSR practices.

### **5.2.2. Self Esteem Programme**

The Self-esteem programme for Real Beauty was launched by Dove, the largest personal care brand of Unilever, in 2004 after a survey conducted by the brand revealed that out of 3,200 women in ten different countries, only 2% described themselves as beautiful, 72% rate their beauty as average, 47% think their weight is too high and only 4% of 18-29 year-olds choosing “beautiful” as a word to describe their looks. (Etcoff et al., 2004, s. 9, 13, 16). This is not a surprise since it is a well-known fact that the unrealistic beauty standards damage women’s self-esteem. These unrealistic standards strongly affect especially young people and they could not see or appreciate their own beauty. In order to change these unrealistic standards of beauty, Dove launched the campaign initially in the U.K. . The campaign started up in the U.K. because of two reasons. In 2004, Dove’s sales were in a



decline trend in the U.K. and the U.K. is one of the countries in which eating disorder is very common. The first stage of the campaign was an ad campaign featuring real women whose appearances are outside the stereotypical norms of beauty. The ads invited consumers to vote on these women if they are oversized or outstanding, grey or gorgeous, wrinkled or wonderful, etc. In a short period the campaign spread different countries where Dove products are in the market. The campaign mission has determined as "to create a world where beauty is a source of confidence and not anxiety.". Since then, the campaign has created, thought-provoking advertisements, videos, workshops, confidence building programs, self-esteem education to young people, online resources for parents that aim to create a new definition of beauty and encourage them to embrace their real beauty. Campaign's (Kesses, 2013) recent real beauty sketches campaign further develops the self-esteem issue: women think they are uglier than the reality. The beauty sketches film has become the most viewed online video ad of all time (The Wall Street Journal, 2013). The campaign has reached more than 11 million young people so far, and by the end of 2015, it is expected to reach 15 million young people. According to 2011 revisited survey 'The Real Truth About Beauty', 4% of women around the world and 11% of girls 10-17 year-olds feel comfortable using "beautiful" as a word to describe their looks (www.dove.us, 2011). The campaign has drawn the attention of the public from the beginning. It has started a global conversation about the need for a wider definition of beauty. With the explosion of the campaign especially through internet, the campaign received significant media coverage from talk shows, women's magazines, mainstream news broadcasts and publications and it is estimated that its media value reached 150 million \$. Dove also introduced a television spot that directly links the purchase of Dove products to financial support for the project with a line at the end: 'And you support our efforts every time you buy Dove'.

In the web site of Unilever, there is a sustainable living plan including health & hygiene, improving nutrition, reducing greenhouse gas emissions, reducing water consumption, reducing waste, sustainable sourcing and enhancing livelihoods. Thus, it seems the brand handle CSR as a whole. Unilever has also CSR campaigns that are promoting through its sub-brands and here the problem starts. In Dove's special case, the campaign is very successful and definitely contributes to identification, differentiation, awareness and higher demands, consequently all to the brand image in a positive way. Especially in the beginning of the company, Dove's sales went significantly up (www.forbes.com, 2011). However, because of Dove's umbrella brand Unilever, the campaign also gets too many critics that might decrease the positive contribution. The brand's decreasing sales growth after 2007 proves how the critics affect the success of the campaign. While some people argue that

although the main goal of the campaign is generating more sales through enhancing brand image, the implementation of the project and its impressive ads make Dove seem so sincere and even real about its concern with females well-being, the other group of people criticize the campaign over the advertisement campaign of AXE which is also a Unilever brand sexualizing women in its ads. Unilever brands' conflicting interests and different marketing strategies are creating such problems. In 2008, Greenpeace accused Unilever for buying palm oil from suppliers that are destroying rain forests. Greenpeace used a video that has gone viral in social media. Even though the company said it would draw all its palm oil from sustainable resources by 2015, this might cause to people questioning Unilever's sincerity about CSR.

### **5.3. Further Information and Assessment of CSR in Europe**

Since Europe is traditionally more inclined to practice CSR, European corporations attach more importance to CSR and successfully implement the CSR into their operations. It is not a coincidence that there are 37 European corporations ranked in the Global CSR RepTrak® 100 study measuring 100 companies with the best CSR reputation across the largest 15 markets (Reputation Institute, 2013).

According to the Global CSR RepTrak® 100 study, BMW ranked 4 in 2013. In a parallel study called Global RepTrak 100 measuring stakeholders' perceptions about companies and the effect of these perceptions into purchasing behavior, BMW has the best perception for Governance (Reputation Institute, 2013). Approximately 49% of participants agree that BMW is a responsibly run company that behaves ethically and is open and transparent in its business dealings. In addition to Global RepTrak rankings, as being one of the best global brands, best global green brands and World's most valuable brands, etc. BMW has succeeded to integrate 'being socially responsible' into its brand image ([www.rankingthebrands.com](http://www.rankingthebrands.com), 2014). Instead of consumer focused, showy CSR projects, by focusing more business focused CSR practices such as; responsible supply-chain, sustainable products, employee satisfaction, labour rights, etc., BMW showed its sincerity on being responsible and being sustainable. By this means, the brand succeeded to become one of the most admired companies in the world ([www.rankingthebrands.com](http://www.rankingthebrands.com), 2014). In terms of Global rankings, Unilever (the umbrella brand of Dove, Axe, etc.) does not seem as successful as BMW. In Global CSR RepTrak 100, Unilever ranked 65 and in Global RepTrak 100 the brand ranked 58 (Reputation Institute, 2013). It is not surprising since Unilever has many sub-brands that have conflicting interests and different marketing strategies. This might cause disunity in terms of CSR implementations and reactions from consumers. But this cannot change the fact that Dove has developed a successful and pioneer campaign. Both brands

Dove (Unilever) and BMW refused to go with grain. Instead of defining CSR narrowly and simply donating some money or demonstrating some concern for the environment, they draw attention to two significant social problems. These two brands have chosen to pave their social responsibility path with their campaigns for ageing employees and real beauty.

If we generalize, in Europe CSR seen as a must and the stakeholders have higher expectations. Thus, CSR is perceived as a part of governance. In addition, the European brands' CSR implementations are more open to criticism, because many of the European brands are competing in the global market with global competitors. Hence, the brands have to be more careful and sensitive while implementing CSR. The criticism is increasing parallel to success of the CSR campaigns implementing with intensive ads. Consequently, the brands might choose to reduce the visibility of the brand in the campaign ads. Moreover, due to their traditional CSR approaches and also to avoid criticism the European corporations handle CSR as a whole. Same as most parts of the world, European companies are using CSR to create a positive brand image too. However, instead of intensive ads campaigns, they are trying to develop successful campaigns that promote themselves and to achieve that they focus on new issues having potential to create a tremendous impression. They do not just attach their brand superficially to a charity or cause. They create powerful bonds between the brand and its stakeholders. In this way, they are creating globally successful and respected brands.

## CONCLUSION

Today, the concept of corporate social responsibility is increasingly gaining importance. With the increasing popularity of social media, brands are using CSR both for avoiding reputational risks and for marketing. Rather than the traditional advertisement methods, the social media users are looking for videos or photos that are worth sharing with their friends, leaving comments on and sharing ideas about. In such a world, CSR is coming forward as a wise way to communicate with the stakeholders. The concept helps to promote products and services in the market, build an emotional tie with stakeholders and strengthen brand image.

Even though there are not significant differences between Turkey and Europe in terms of CSR effect on brand image, there are some significant differences in terms of CSR implementations and practices. Initial difference is; while CSR is a relatively new concept among Turkish corporations and brands, the popularity of the concept in Europe goes back to 1980's and even back, since traditionally European countries have more CSR consistent values, norms, etc. This fact makes the biggest difference in development level of the concept. This is also reason for relatively low CSR awareness among Turkish corporations and narrow interpretation of the CSR concept. Traditionally in Turkey, CSR has been defined much more in terms of a philanthropic model. Corporations make profits, they pay their taxes and then they donate a certain share of the profits to charitable causes, offer scholarships or sponsorships. They do not receive benefit from these donations. Thus, they see the new extent of corporate social responsibility solely as a tool for marketing. They prefer to focus on project-based campaigns in basic social and environmental issues, which are relatively simple to operate and have the potential to get faster reactions such as; women, kids, youth, education, sports, art or protecting cultural values, etc. And these days, women issues combining with education are the most popular issues for CSR campaigns. Contrary to Turkish brands, the European brands are much more focused on operating the core business in a socially responsible way. They prefer to handle CSR as a whole since they are commonly competing in the Global market, which is more demanding and critical. In order to develop a successful campaign, initially they need to have successful implementations within their corporations in terms of employees, human rights, labour rights and the environment. So, with the CSR campaigns, European corporations carry their CSR implementations to a further level. First they implement CSR as a whole into their business operations, and than for marketing or other purposes they develop campaigns. They put their efforts on differentiating

these campaigns, searching for cause celebre<sup>3</sup> but new and different issues to develop a CSR campaign for. However, among Turkish brands such campaigns seem as the core of CSR implementations. In Turkey, there is not a law that is specifically designed for CSR. European countries and the EU have policies and strategies concerning the CSR and on the way for designing a CSR law, the necessity of a binding legislation is on the discussion table. Both in Turkey and the Europe, corporate social responsibility implementations are based on volunteerism. Also there are not significant differences in terms of CSR effect on brand image. Basically, both in Turkey and Europe CSR practices helps brands and corporations to associate with ‘doing good, being good’ in minds of stakeholders. Such a positive association creates positive perceptions in the minds, encourages positive comments, redounds reputation, and strengthens connections with all stakeholders. These outcomes create positive brand image and help to identify brand with ‘good’, differentiate the brand, contribute to brand awareness, create demand and enable profitable pricing. The increasing value of the brand equity also provides competitive advantage. In this context, it is certain that corporate social responsibility practices made a positive contribution to the brand image both in Turkey and Europe. However brands inadequacies to spread CSR into different areas and narrow definition of CSR by mainly focusing on project-based CSR campaigns has led to questioning the sincerity of the CSR practices in Turkey. Therefore, compared to Europe the effect of CSR on brand image remains on a more limited level in Turkey.

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<sup>3</sup> A widespread campaign that draws a lot of attention and support and becomes very popular.

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**DECLARATION OF AUTHORSHIP**

I declare that this thesis and the work presented in it are my own and have been generated by me as the result of my original research.

None of the part of this thesis has previously been submitted for a degree of any other qualification at this University or any other institution.

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