

Corporate Branding & CSR
Stern School, NYU
B70.3101.30

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Mondays 6-9PM □
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KMC 4-60

Introduction

More than ever, corporations are engaging the larger community with policies and procedures in pursuit of Corporate Social Responsibility (CSR). What was once a differentiation strategy for niche marketers has become a central concern of the Fortune 500. The importance of CSR to corporate branding is evident in the efforts and promotions of global extractive firms (BP, Shell), manufacturers (GE), apparel marketers (Eileen Fisher, GAP, Nike), pharmaceutical firms (Merck, Pfizer), food marketers (Chiquita, Stonyfield Farms, Pete and Gerry's), automobile manufacturers (hybrids by Toyota, Honda) and retailers (Walmart, IKEA, Tiffany). Such firms recognize both the need to protect their long-term investment in corporate branding and the opportunity CSR policies present for product differentiation and developing brand equity.

This course provides a theoretical and strategic overview of CSR in the context of corporate branding. The theory of the course proceeds from: i) the corporate need to protect long-term investments in corporate brand image or to differentiate from competitors, or both, ii) the emergence of materially large segments of "ethically sensitive" consumers, and iii) the incompleteness of law and regulation with respect to sustainability, human rights, and other ethical issues, especially in global markets. There is some straight lecture to this course, but in large part its practical and strategic content is derived from a number of "live" cases with guest participants drawn from corporations and NGOs.

Texts

There is no required textbook for this course. There is a wealth of current resources available online, and these will be referenced from our Blackboard.

Course Requirements

Students in this course are required to do the following:

- i) **Attendance:** There are six class sessions, and there are corporate or NGO visitors scheduled at most sessions. Students are expected to be present at every class session (excluding religious holidays) and to participate in the discussion.

- ii) **Short Papers:** For any two of the last four class sessions, students will post to the Blackboard a *description* of the strategic challenges faced by that session's visitor, with an *analysis* of the firm/NGO's effectiveness in meeting those challenges to build or protect its brand equity. This analysis should be based upon a review of the firm/NGO's website, search of relevant news and reference resources, and any materials on or linked from the course Blackboard (they will be posted under Course Documents). Furthermore, it should incorporate concepts and methods from core courses you have taken in Marketing, Management, Operations, etc, as needed. Each short paper should be 3-4 pages, double spaced.

- iii) **Final Paper:** At the end of the course, each student will submit a 8-10 page paper examining *one particular CSR issue across several major firms* in the same industry. The general approach will be similar to that in the short papers, but with greater depth of reference and level of analysis. The purpose of this examination is to compare and contrast CSR/Corporate Branding across firms, and to reach some assessment as to the effectiveness of each firm's policy in building or protecting corporate brand equity

Class Sessions: Dates, Topics, and Scheduled Visitors

Note: Subject to Change.

April 5th – Introduction

After a short review of CSR and its relationship to Microeconomics and Business Ethics, we will introduce the concept of CSR as a form of differentiation strategy for brands in otherwise mature markets. We will also explore the idea of CSR as a means of protecting Corporate Brand equity and reputation.

To prepare for this session, please visit the following websites and see how these firms have woven CSR into their brand strategies. Please take notes on the firms and their efforts and be prepared to discuss the following questions:

Q1: What is the fundamental marketing offering (Product, Price, Promotion, Place)?

Q2: What are the ethical concerns that the firm's CSR addresses?

Q3: Is the firm using its CSR efforts to differentiate the brand, or defend it?

Q4: How can we judge the effectiveness of the firm's CSR efforts? Now? 10 years?

<http://www.annies.com/home>

<http://www.tiffany.com>

<http://www.nike.com>

Note: Each of these sites contains a lot of CSR related information. Please examine each site thoroughly.

April 12th – Branding: Where CSR Needs NGO's.

The consumer is in no position to verify the CSR claims and practices of the many brands in the marketplace, especially when supply chains stretch around the world. How then are CSR driven brands able to establish and substantiate their values-laden claims? In the context of branding this information deficiency in the global market is a bit ironic, because branding itself was first used to assure the customer of qualities in the brand (alloys in the case of metal products) that could not be empirically tested. One market based solution that has arisen in recent years is the NGO sponsored brand or "seal" that verifies the ethics claims of the brand.

In this class session, we will study the structure and work of Social Accountability International (SAI), a global multi-stakeholder NGO that has promulgated SA8000, one of the world's leading ethical standards for human rights in the workplace. You can learn more about SAI at:

<http://www.sa-intl.org/>

http://en.wikipedia.org/wiki/Social_Accountability_International

Come to class prepared to answer the following questions:

Q1: What, exactly, is it that SAI does?

Q2: Who, exactly, are the stakeholders in its multi-stakeholder model?

Q3: How does a firm or factory earn a SA8000 certification?

Q4: Who certifies the certifiers?

Our guest for this session will be

Alice Tepper Marlin
President & Founder
Social Accountability International

Alice Tepper Marlin is considered by many to be the “architect” of Corporate Social Responsibility. She began her career as a Wall Street analyst, and in 1968 developed the first ever socially responsible investment portfolio – a “peace portfolio” that sought to avoid investments in the military-industrial complex and that became the ur-model for dozens or hundreds of socially responsible investment funds that followed. She then founded the Council on Economic Priorities, which published “Shopping for a Better World,” a book that allowed consumers to understand the ethics behind their favorite brands. Alice Tepper Marlin was named to the Ashoka Foundations Global Academy

<http://www.ashoka.org/gamembers>

If you go to their website you can learn more about her extraordinary life and work:

<http://www.ashoka.org/video/4142>

<http://www.ashoka.org/video/4143>

April 19th – CSR, Corporate Image, and Corporate Mission

In the first half of this session, we consider one particular CSR effort of one particular large firm; the effort is called “10,000 Women” and the firm is called Goldman Sachs. The questions and issues surrounding CSR efforts of this type concern the connection of the effort itself to the core mission of the firm. In this school Goldman needs no introduction. What, then, is the leading global investment bank up to when it commits \$100,000,000 to support the leadership development of 10,000 women. Where is the connection and how, and for whom, does this effort build brand value?

Our visitor will be

Jamie Sears
Goldman Sachs
10,000 Women Project

You can learn more about the 10,000 Women Project at

<http://www2.goldmansachs.com/citizenship/10000women/index.html>

<http://www.nytimes.com/2008/03/05/business/worldbusiness/05iht-women.4.10743296.html>

<http://www.nytimes.com/2008/12/26/business/26lend.html>

April 26th – □ CSR and the Niche Brand

Marketers have long used the term “global brand,” for brands such as Coke, Citi, and American Express; such brands have a consistent image and positioning around the world. They use the term “niche brand” to refer to small specialty brands that deliver a particular type of value to – usually – a small market segment. Such brands usually have low unit sales and low capitalization, and frequently their sales are confined to small market area. Their consumers support them with high price points because of their special qualities and local authenticity (think of your favorite micro-brew). In the last few years, due to advances in transportation and communications technology, we are starting to see a number of “global-niche” brands. That is, brands that somehow serve or connect distant markets, and develop substantial brand equity, by delivering particular value to a target segment. In this session we will explore the use of CSR as a differentiating strategy for small, global-niche brands.

Our visitor will be:

Taylor Mork
CropToCup Coffee
<http://www.croptocup.com>

May 3rd – CSR, Segmentation, and Public Relations

Corporations that engage in CSR as part of their branding strategy must consider how best to communicate the firm's practices to relevant stakeholders. Advertising and Public Relations, two forms of non-personal communications, are basic components of any promotional effort. In this session, we consider the separate and complementary roles of Advertising and Public Relations in CSR-driven Corporate Branding strategy.

Actually, in this session, we have two scheduled visitors. The first is from one of the premier public relations agencies in the world, which has a burgeoning CSR practice:

Robin Edwards
Senior Account Manager
The Edelman Agency

<http://www.edelman.com/>

Then to speak on issues of segmentation and differentiation in a branded context, we will hear from:

Rick Huntoon
Vice President
National Envelope Corporation

<http://www.nationalenvelope.com/prod/index.htm>

National Envelope has put together an extraordinary range of features for its products, which allow the customer to make their envelopes "green" in exactly the way that delivers the most particular value. Please visit the site and explore how the firm has used ethics to segment the envelope market and thereby differentiate its offerings.

May 10th – CSR and Multinational Branding

How does a multinational company ensure that sweatshop labor is not used in its supply chain? In the mid-1990's The Gap was the target of widespread protests against its labor practices. To protect its brand, management directs a force of over 90 professionals whose responsibility is to ensure humane labor practices for a supply chain comprising over 2,000 factories, and stretching across Asia and other parts of the world. In order to judge consistently across factories, GAP employs the SA8000 standard. On April 12th, we heard from Alice Tepper Marlin, the founder of Social Accountability International, which developed the multi-stakeholder SA8000 standard. She explained how the SA8000 standard was created, how it is kept up to date, and how it is enforced.

Tonight, we will hear from Mr. Dan Henkle, Senior Vice President for CSR of The Gap, who will describe how SA8000 helps GAP to ensure adherence to corporate standards and protect brand equity.

Visitor: □

Dan Henkle
Senior Vice President for CSR
Gap Inc. □

<http://www.gapinc.com/public/SocialResponsibility/socialres.shtml>