

Chapter 20

Using Integrated Corporate Responsibility to Enhance Consumers' Perceptions: An Overview of the Banking Sector

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ABSTRACT

The chapter aims at synthesizing past research on CSR into the new meaning of CR by investigating if CR is being pursued through an integrated approach with branding by the six major banking corporates in Italy and the UK. In particular, differences and similarities in the extent of implementation are addressed. The research adopts a qualitative approach based on case study development and data analysis according to a CR framework that allowed data extrapolation and systematization, which the authors have designed in accordance with theories of integrated CR. The findings reveal that the extent of integration between CR and branding varies depending on cultural contexts and consumers' perceptions. Most of the sample is undertaking CR policies and programmes with the intent of driving the whole company towards the execution of an integrated strategy, but the UK sample shows the higher extent of integration. The study favours the emerging of best practices for CR integration among banking players and can be adapted to further geographical areas.

INTRODUCTION

As extensively highlighted by academic literature and empirical research, for the past three decades mostly, corporates have started acknowledging their key role as good citizens in the society by including social, ethical, environmental concerns and sustainable and philanthropic activities in their business and communication (Carrol, 1991; Ahmed and Machold, 2004). The traditional and typical description of companies' attitudes, policies and practices developed around the inclusion of social matters into their everyday business in a responsive logic to the society's needs is commonly defined – despite the multiple characterizations and misinterpretations (Vallaster *et al.*, 2012) – with the name of Corporate Social Responsibility (CSR) (Carrol, 2008; Torres *et al.*, 2012; Vallaster *et al.*, 2012; Lopez De Pedro and Gilabert, 2012). Despite the classical definition, most recent researches have found that pursuing economic and social benefits in a separate way have not necessary conducted, in many cases (Visser, 2012, 2013), to the expected growing benefits for business and society (Candelo *et al.*, 2018). It is argued that the traditional separation of social and commercial objectives, typical for and contained into the Corporate Social Responsibility definition, represents itself a limit of CSR. Accordingly, new interpretations and applications of responsibility and sustainability integrated with the business model (Franceschielli *et al.*, 2018) and with companies' core strategies are being proposed. Corporate Responsibility (CR) – according to which environmental, social and economic logics are integrated and interlinked - represents the set of formalized activities and practices implemented by companies towards sustainability (both social, environmental and economic), ethics and responsibility addressed through a participatory and not merely responsive process and based on stakeholder engagement (Freeman *et al.*, 2010). Under the umbrella of Integrated Corporate Responsibility (Freeman *et al.*, 2010), Company Stakeholder Responsibility (Freeman and Velamuri, 2006) or Corporate Sustainability and Responsibility (Visser, 2013), similar activities and practices are conducted by companies (depending on their size) in order to engage multiple stakeholders in the value creation (Freeman and Phillips, 2002), with no separation between social and economic goals (Crane *et al.*, 2013; Vallaster *et al.*, 2012; Visser, 2012; Freeman *et al.*, 2010). This research acknowledges Integrated Corporate Responsibility as theoretical framework of investigation.

Under this theoretical framework, the implementation of integrated CR certainly implies a business repositioning, are configuration of products and services and their supply chains according to sustainability and, a shift in consumers' communication of such changes. Furthermore, literature suggests that, in this scenario, the increase in brand image (Aaker, 2009, 2010)-coming from consumers above all - and value are consistently connected to CR practices (Komodromos and Melanthiou, 2014) in a way that differs among countries and players. In particular, as the complexity of CR grows, the communication of it is acquiring more strategic meanings and plays a key role for improving stakeholders' perception and engagement (Sen and Bhattacharya; 2001; Nasruddin and Bustami, 2007). The relation between CR and brand communication is as interesting to be investigated as delicate, since it may raise issues of credibility, trust and perception, which scholars have been arguing back and forth about. Finding the balance and equilibrium between social and marketing objectives when linking brand communication and CR is a highly investigated issue that must deal with consumers' perception and company's communication strategy (Candelo, 2016). Within the logic of Integrated CR, empirical research on its communication is needed (Freeman *et al.*, 2010), to underline best practices of integrated CR communication that balances commercial and social objectives.

Accordingly, this paper provides a theoretical contribution as to the meaning of integrated CR communication by empirically describing the extent to which social and commercial goals are achieved when

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