



# How virtual corporate social responsibility dialogs generate value: A framework and propositions<sup>☆</sup>

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## ABSTRACT

Web-based social media have assumed unprecedented importance in today's world, dramatically changing the way individuals interact with companies and each other. Companies are rapidly expanding their use of social media, and many companies are now entering into what we call "virtual CSR dialogs," where social media technologies are leveraged so that stakeholders can design and implement corporate social responsibility (CSR) activities with the company. But little is known about how such dialogs function, and there is a pressing need for theoretical frameworks that can deepen our understanding of how and when these dialogs generate value for both the company and society. This paper presents a framework that explains how stakeholders interpret and respond to virtual CSR dialogs. The framework reveals that virtual CSR dialogs generate value based on (a) the extent to which stakeholders identify with the community of dialog participants, and (b) the heightened expectations that stakeholders develop. It also outlines the key characteristics that influence the value generating capacity of virtual CSR dialogs. As a result, this paper highlights both the benefits and risks of initiating virtual CSR dialogs.

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## 1. Introduction

Social media are dramatically changing the way individuals interact with companies and each other. Over 75% of Internet users have joined social networks, contributed reviews to products and shopping sites, written and responded through blogs, created and posted videos for others to see, or joined in other forms of peer-to-peer exchange (Morrissey, 2008). Corporations, hearing the call, are increasingly relying on social media to engage consumers, employees and other stakeholders in compelling and ongoing virtual dialogs. Digital consulting company eMarketer estimates that 80% of mid-to-large sized companies currently use social media to conduct marketing activities (eMarketer, 2011), and it expects double digit growth in the use of social media in the foreseeable future.

Just as many companies initiate these virtual dialogs with customers in order to stimulate support for their respective brands and products, so too are many companies looking to leverage social media in order to design and implement their corporate social responsibility (CSR), the discretionary practices and contributions of corporate resources intended to improve societal welfare (Kotler & Lee, 2004). While the

incidence of virtual CSR dialogs is still unclear, a study by public relations firm Weber Shandwick (2011) claims that as many as 72% of Fortune 2000 companies are using social media as part of their CSR communications. Consider Procter & Gamble which leveraged its presence on Facebook to create what it called the "Future Friendly Challenge." More than 150,000 Future Friendly followers post tips and experiences about how to be socially responsible and environmentally friendly. The company hopes that participants in this virtual community will not only strengthen ties with the company (through purchase, employment, investment, etc.), but will also behave in responsible ways themselves (e.g., saving energy, conserving water, reducing waste).

Notwithstanding the strong interest and widespread application of social media in the CSR domain, little is known about how managers and scholars should approach what we call virtual CSR dialogs with stakeholders. As Chakravorti (2010, p.100) comments, "given the early stages of the 2.0 model of engaging with stakeholders, a period of evolution and learning still lies ahead." Thus, there is a pressing need for frameworks that explain how and when virtual CSR dialogs generate value for both the sponsoring company and society at large. In particular, the literature would benefit from frameworks that advance our understanding of the psychological process through which stakeholders respond to virtual CSR dialogs and how dialogs can be configured so that they maximize value through this process.

This paper provides guidance to scholars and managers on this burgeoning topic. Our framework shows that employing social media in the CSR context can generate substantial value for companies and society. Just as important, the framework reveals the psychological

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mechanism behind stakeholder reactions to virtual CSR dialogs. In brief, we argue that enabling stakeholders to co-create CSR activities can generate substantial value through stakeholder behaviors towards the company and the cause, and that this value stems from two intermediate outcomes: (1) the sense of community (i.e., identification with the dialog community) that the dialogs foster, and (2) CSR-related expectations that the dialogs create.

This paper contributes to the marketing literature in a number of ways. First, it is to our knowledge the first paper to integrate theory on social media with that of CSR, addressing a burgeoning yet already substantial marketing phenomenon, virtual CSR dialogs. Second, we not only explain how virtual CSR dialogs generate value but also identify the key characteristics that extant theory suggests will maximize the effects of those dialogs. In particular, we highlight features of the dialog platform (i.e., media richness and self-presentation) and of dialog participation (i.e., autonomy and exclusivity) as the key factors that impact the value of virtual CSR dialogs. Third, we portray virtual CSR dialogs as dynamic and ongoing interactions where co-creation among a collective of participants both engenders identification with the community of participants and alters the expectations of each participant of the company's social responsibility. Overall, we present a view which highlights both the risks and benefits of engaging in virtual CSR dialogs.

In the next section, we briefly review key aspects of the social media and CSR literatures, identifying shared theoretical bases. In Section 3, we draw on these shared bases to construct a theoretical framework that explains when and how virtual CSR dialogs generate value. Section 4 outlines implications of the framework for scholars and managers.

## 2. Virtual CSR dialogs: Definition and theoretical foundations

We define virtual CSR dialogs as a company's strategic utilization of social media technologies to proactively engage stakeholders in CSR activities. By applying social media to the CSR domain, virtual CSR dialogs differ substantially both from traditional CSR communications and from virtual consumer dialogs that use social media to sell products and services (see Fig. 1). First, unlike traditional CSR communications, virtual CSR dialogs involve the active and purposeful utilization of advanced Web technologies and platforms such as social networking sites (e.g., Facebook, Linked-in, Twitter), content sharing sites (e.g., YouTube, Flickr), user-sponsored or company-sponsored blogs, company-sponsored cause sites (e.g., Dove's Campaign for Real Beauty), and collaborative websites (e.g., Wikipedia), enabling

participants to engage peers by exchanging information about themselves, the company, and the cause. Second, the use of social media in the CSR context differs from product/service marketing in that it addresses what is typically a corporate level CSR activity, thereby involving a wider array of stakeholder segments (e.g., customers, employees, investors, local communities, and social issue activists). We now briefly review extant knowledge of social media and CSR, identifying theoretical bases that are common to each domain.

### 2.1. Social media

Social media, or mobile and web-based applications “that allow the creation and exchange of user-generated content” (Kaplan & Haenlein, 2010, p.61), are fast becoming an important channel through which companies can engage in virtual dialogs with stakeholders. But what makes social media different from other media? First, social media encourages peer-to-peer communication – in the present context, stakeholder-to-stakeholder communication – which can create a sense of community around the shared values of participants. Social media are “investments in networks rather than firm-consumer dyads” (Schau, Muñiz, & Arnould, 2009, p.41), with value generated by the collective actions of participants. Marketing researchers have studied the dynamics of these communities, especially brand communities, finding that they provide value largely because of the emotional, symbolic, and non-utilitarian aspects of their relationship with participants and with the company (Bagozzi & Dholakia, 2006; Fuller et al., 2007; Schau et al., 2009). Individuals seek to affiliate with virtual communities that enable them to express their values (Bagozzi & Dholakia, 2006; Schau & Gilly, 2003), and when they find such groups, they participate in shaping collective norms and expectations as well as promoting the group by evangelizing and recruiting other members (Schau et al., 2009).

Second, social media accent user-generated content. Social media rely on so-called “Web 2.0” technologies, applications that enable users to locate other users, generate content, and share information with other users in ongoing conversations via the web. Users of social media are not a passive audience, but rather active co-creators of value. When companies engage stakeholders in dialog through social media, they invite dialog participants to actively contribute through information rich and sometimes highly personal exchanges (Singh, Veron-Jackson, & Cullinane, 2008). This co-creation can have profound effects on the expectations of stakeholders as they inform the company and fellow community members about their preferences

CSR Offering	<b>Traditional CSR Engagement</b> (e.g., ConocoPhillips CSR web page which lists and describes various CSR programs)	<b>Virtual CSR Dialogs</b> (e.g., P&G Future Friendly Challenge)
	<b>Traditional Marketing Program</b> (e.g., Budweiser advertisements using television, print, outdoor, or other traditional media)	<b>Virtual Consumer Dialogs</b> (e.g., Doritos user-generated advertisements where consumers create their own video ads and other consumers choose their favorites)
“Traditional” Media		Social Media

Fig. 1. How virtual CSR dialogs are different.

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