

significant returns from CSR?

In Asia, successful branding has never just been about traditional, straight-at-the-consumer advertising. For one thing, many consumers in developing markets have experienced such inconsistency in quality that they have rarely taken product promises purely for their word. This puts accountability front and center. A 2003 survey across Asia from Wirthlin Worldwide found that making quality products and taking full responsibility for their performance contributed most to consumer trust in business.

Customers expect companies to stand by their products. When something goes wrong, Asians want brand owners to take responsibility, to fix the problem, and ensure it won't happen again. Without a baseline of confidence, no television campaign can do its work.

To market in Asia is, in fact, to enter a social contract. What's new is that this social contract is rapidly moving beyond the promise to make good things and provide reliable service. Nowadays, customer expectations encompass other areas of corporate responsibility, such as safety and health issues, environmental practices, and labor relations.

This moves brand building beyond just typical marketing. It entails taking responsibility for the way your entire business affects society, and understanding, in turn, that the fate of your brand can depend on people who may not use your products or services at all—stakeholders as diverse as government officials and regulators, analysts and editors, NGOs (non-government officials) and activists, community and religious leaders.

In Asia, both multinational and local companies have begun to focus on the ethical dimensions of their brands. In the future, we'll see that branding and corporate social responsibility will increasingly go hand in hand. Companies are now using their overall brand and a sense of core competency to guide their behavior—not only avoiding

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doing bad things, but also channeling resources and talent into making their world better. This is a far cry from old-school philanthropic activity that has traditionally been unseen and fairly ad hoc.

Asian governments tend to be strong and assertive, but often lack resources. Consequently, people often look to companies to help fill the gap where there are social, economic, or health-related needs. In addition, since 9-11, we've been operating in a more fragile environment for brands that are perceived to be very foreign. As a result, those brands are increasing their efforts in order to build local relationships and earn the respect, and endorsement, at the community level.

Asian companies are looking at how to adopt approaches to CSR with Asian characteristics. In contrast to CSR efforts in Europe that are focused on meeting or satisfying global reporting standards, such as crafting declarations, devising indices, and reporting standards for corporate behavior. In Europe, this has been largely fueled externally by the pressure activities of NGOs and the adoption of reporting standards. In Asia, CSR is more geared toward creating positive relationships with consumers and local communities. Efforts are aimed at activities that



B Y M A T T H E W A N D E R S O N

customers, employees, partners and government officials will genuinely value.

One main point: The best companies are both looking to their brand as a guide and also looking to their core competencies and what they're good at to determine their approach to CSR.

Ogilvy believes that one of the best ways to navigate the difficulties of CSR is to use the brand as a guide. If the brand is an organizing principle for all a company's activities, then its application to CSR is a logical step.

steps for increasing the effectiveness of csr

- Commit from the top down
- Involve all your assets
- Engage employees
- Establish meaningful partnerships
- Tell your story in interesting and credible ways
- Visualize

example 1:

In India, where more than 70% of the population lives in the countryside, we see an increasing recognition that business can and should shoulder aspects of rural development. This requires thinking more broadly about community involvement. Castrol, for example, helped communities in the Indian states of Gujarat, Rajasthan, Madhya Pradesh, and Maharashtra cope with severe drought, which had crippled agriculture and reduced the availability of safe drinking water. Under the banner of its Castrol CRB Plus lubricant brand, the company worked with villagers, farmer groups, NGOs, and village councils to improve irrigation and promote water conservation and harvesting. A vital corporate-community partnership was created, to the benefit of the Castrol brand, and it resulted in a successful water management and agricultural renewal solution for the community. As agriculture recovered, the demand and preference for Castrol's products increased.

example 2:

The first step is to make very clear to the whole company that responsible behavior involves every area of the business. It's not a communications program or a marketing strategy—it's about making sure that the growth and evolution of your company reflects the principles you have embraced.

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CEO and Vice Chairman Peter Brabeck-Letmathe has been an outspoken advocate of Nestlé's CSR vision, in the belief that it directly contributes to the sustainable long-term growth of the company. Nestlé's corporate brand promise—"Good Food, Good Life"—means that the company goes beyond providing quality things to eat. Nestlé contributes to life through sports, arts, and education, in addition to working with NGOs who are involved in nutrition and the environment. In Malaysia, for example, Nestlé conducted a nationwide survey on the nutritional habits and needs of Malaysian children. Based on the findings, Nestlé is now working in partnership with the Ministry of Education and various health and nutrition groups to improve the well-being of school children.

example 3:

Harry Hodge, chairman of Asia Pacific of Quiksilver, believes that the trust of his surf-crazed consumers must never be taken for granted. Quiksilver takes its responsibilities as a market leader seriously—its vision of a responsible, healthy, and committed company sets the standard for the surfing industry. Quiksilver takes its CSR cues from its customers' perspectives, merging their interests into the corporate agenda. Quiksilver has developed the sport and brought along young talent. It also addresses the ethics and labor practices of business partners with a program called QUEST (Quiksilver Ethical Standards of Trade). Moreover, Quiksilver supports Reef Check, an environmental organization dedicated to saving coral reefs. While the company has received recognition from the United Nations for its efforts, its management may be even happier knowing that it is running a top brand in ways that the company's customers approve. ●

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