

TOWARDS CORPORATE SHARED VALUE IN RETAIL SECTOR: A COMPARATIVE STUDY OVER GROCERY AND BANKING BETWEEN ITALY AND THE UK

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Abstract

The research investigates the extent to which Banking and Grocery retailers use Corporate Social Responsibility (CSR) in accordance to evolving consumers' expectations and build a strategic model of Corporate Shared Value (CSV) to strive for economic and social returns simultaneously. The paper adopts a qualitative approach, based on the comparative case study methodology by investigating a sample of twelve Banking and Grocery retailers in Italy and the UK. Differences and similarities in CSR as new strategic model among countries and retail sectors emerge, with UK companies from both the sectors showing the most formalized integration of CSR within their business strategy. The chance for both Italian and UK retail companies is to adopt the best practices emerging from the case studies to turn their CSR programs into a strategic business model of CSV that will allow a stronger retailer-consumer relationship based on social improvements and a reinforcement of their brand image.

Keywords: Corporate Social Responsibility, Corporate Shared Value, Banking retailers, Grocery retailers, Branding, consumers' perception.

1. Introduction

Considering that attitudes are generally accepted as something people acquire, marketing academics have stressed on the importance of understanding how such attitudes develop and

* Despite the paper is the result of the cooperation among the three authors, Elena Candelo wrote sections 2 and 6, Chiara Civera wrote sections 4 and 5 and Cecilia Casalegno wrote sections 3 and 1

how they are affected. Regarding the business world, and in particular the retail sector, where customers interact with their chosen company, this tends to bring in a mixture of disciplines including psychology, sociology and economics (Hoyer and McInnis, 2012). The knowledge explicit in modern marketing and business techniques has meant that it is possible to influence and in some cases create consumer attitudes and influence them positively for reaching the business purpose. The social responsibility that this brings with it has been recognised in the development of codes of practices and ethical-driven processes for enhancing brand value and communicating it effectively.

Consumers, who, for the past decades, have been mostly influenced by business communications, are, nowadays alike affected by business activities beyond the communication itself and the coherence between brand image and companies' actual practices and processes.

According to consumers' evolving expectations (De Pelsmacker Janssens and Mielants 2005; Barksdale and Darden, 1972), it is commonly accepted that Corporate Social Responsibility (CSR) on behalf of business organisations represents to overcome the merely profit-oriented mentality and play a role as good citizen in the society (Carrol, 1991; Ahmed and Machold, 2004).

According to the 2013 Consumer Trend Report, nowadays products are asked to give back a specific set of expected and shared values. They need to be more than transparent to their audience, to become "naked" in communicating concrete and tangible benefits that go beyond the merely purpose a product or a service is supposed to serve. "Brands' wishes will be consumers' command" (Consumer Trend Report, 2013) and, in this sense, consumers keep driving companies' choices in the establishment of a new vision, new business models, products and services and coherent ways of advertising and creating marketing campaigns.

Therefore, as a set of non-business oriented actions addressed to temporarily improve corporates' behaviour and give them a voice within the social debate, CSR is not a new concept for them. The difference nowadays consists in the fact that it is largely being strengthened to include a concrete set of tools and planned communication activities addressed to solve social and environmental issues with positive repercussions on the reference community and ultimately on the existent and potential consumers' perceptions and satisfaction. It is, in other words, a new way of positioning business and relations with community by using the traditional CSR drivers and shaping them in a different way (Macleod, 2001; Mohr et al., 2001; Kuepfer and Papula, 2010).

Actions within Corporate Social Responsibility are becoming part of companies' core concerns. Can we consider this a new business model, even if less business-oriented? Or marketing and branding are just playing with words?

Before analysing the link between CSR and firms' strategies and highlighting the innovative implications of it for companies, a quick overview on CSR is required.

Generally considering that responsible, sustainable and philanthropic behaviours along with business ethics principles might represent a "good" way of reacting to the current societal and economic market scenario from the perception of consumers (Casalegno et al., 2012; Torres et al., 2012; De Pedro and Gilabert, 2012; Vallaster et al., 2012; Kuepfer and Papula, 2010; Neal and Cochran, 2008; Macleod, 2001; Mohr et al., 2001), the real impulse within companies towards CSR development raises issues of different kinds and the dilemma is not of an easy solution. What appears certain and clear, though, is that CSR needs to impose itself as a new corporate mindset with its own strategic implications (Kim et al., 2011).

Despite the multiple conceptualizations of CSR and the fact that a single definition has yet to be accepted (Vallaster et al., 2012), it is possible to group all its meanings under a CSR

mindset focusing on precise dimensions and activities that make CSR “a cross-functioning management tool which aims at achieving long term goals by fostering voluntary corporates’ multi-stakeholders relationships” (Civera and Musso, 2012).

According to this definition, the authors has built and considered three main dimensions of CSR, in its traditional shape. They are: Accountability, referring to the way companies give evidence of their behaviour towards CSR through reports and codes of practices seen as differentiation elements; Corporate Philanthropy, identified as the sum of activities carried out in order to respond to various community needs by supporting projects of social interest and admired Third Sector Organizations; and, Sustainability, which is related to the inclusion and communication of environmental, societal and ethical concerns in process, goods/products and services.

2. Branding and Corporate Social Responsibility: a premises for a strategic understanding

Company differentiation is often realized by brand strategy to provide customers with quality, consistency and security. Definitely brand is a vehicle to influence stakeholders’ quality perception and to add value to products and services. It is therefore necessary to understand the reasons why consumers give their preference to a brand among the many offers available and, consequently, it is important to analyse desires at the basis of their choice (Aaker, 1996). What are customers’ needs, wishes and requirements according with current societal and environmental factors? Evidence shows that social concerns are getting increasingly important for stakeholders in general and for consumers in particular.

Thus corporate should build a true relationship with consumers and with their societies, primarily having consistency between the values associated with the brand and those transmitted by the behaviour of the company as a whole. Today corporate brands must be not only well known but also well regarded (Allen and Root, 2004): companies’ behaviour and brand identity appear inextricably linked, with repercussions on the brand image and on the brand loyalty by customers.

The consequence of these arguments is that brand reputation is as important as brand awareness to create a coherent identity (Aaker, 2009): a kind of social legitimacy (Melo and Galan, 2011), which, in affluent societies, implies more than just profit maximization. CSR concerns emerge in this context as they affect both the social legitimacy and the stakeholders’ perceptions, thus impact on the financial results of the company. Therefore companies have to move away from one-dimensional financial perspectives of business to a holistic view of societal relationships to incorporate sustainability into the whole culture of the organization (Gupta and Kumar, 2013).

Consequently, firms must implement the value of the relationship between brand and stakeholders through CSR strategies, especially in the medium-long term.

Therefore the brand acts as a tool that integrates the company with its stakeholders by creating valuable associations connected with sustainability, responsibility, philanthropy and ethics (Grace and O’Cass, 2002).

Considering brand strategy, activities carried out within CSR should be made visible inside and outside the company to create brand associations and communicated through the media. The positive word-of-mouth generated develops an integrated communication strategy.

Building a relationship between brand and CSR is important to strengthen customers’ loyalty and, considering CSR complexity and evolution, a question arises: shall CSR become more than just a driver of branding and be translated in a formalized approach shared by the whole organization and outside it?

Sharing is the imperative. The question is, what and how to share? One of the most difficult intangible asset competitors cannot imitate is surely the way a certain organization behave and share its principles and social values with internal customers (employers) and external clients (consumers) ultimately.

What is called *organizational culture* (Schein, 2010) refers to the values and patterns of belief and behaviour that are commonly accepted and practiced by the members of a particular organization (Pringle *et al.*, 1988). In this scenario, the company is asked to put “everything together and make it work” (Schultz *et al.*, 1993) and, integrate communication with coherence and transparency. (Schultz *et al.*, 1993; Romano, 1988; Krugman *et al.*, 1994; Collesei, 2002; Duncan and Mulhern, 2004; Collesei and Ravà, 2008; Belch and Belch, 2009).

The necessity of integrating communication tools and lever on constant factors (Collesei, 2002) is perceived by companies as the most effective and strategic way to give their assets and business a reason to exist, and this is undisputed, especially in crisis periods (Casalegno *et al.*, 2012) and valid for all the stakeholders as extended audience (Kliatchko, 2008), considering that communication is not a *two-way* factor anymore.

Coherence is the driver of communication and helps creating the right reputation. According to this perspective, over the last years CSR has become one of the most powerful internal and external way of communicating homogenization and good behaviour in the way of conducting business activities.

Accordingly, if principles and shared values can represent powerful levers for competitive advantage, it is likewise true that nowadays the audience is not simply persuaded by paid activities – e.g. advertising - that aim to make them understand how ethic a certain company is. Customers are positively influenced by companies that do not need to prove their CSR through branding; instead by those who place it and communicate it on the market as a new business model addressed to social improvements. Here it is that CSR should turn into a strategic business model where actions undertaken in the field of ethics, sustainability, environment and philanthropy are coordinated and homogeneous within the core business of the company and therefore communicated transparently to achieve economic and social returns at the same time.

In accordance with an on-going research current put forth by Michael Porter in several of his works from 2002, the imperative for companies is to create and share values with the double purpose of reaching better performances in their competitiveness and improve their community well-being in a long-term perspective. Sharing values is reflected in communication as well as in the creation of concrete and valuable strategies.

In other words corporates need to strengthen CSR both as communication and strategy and bring it to a new level, the one of *Corporate Shared Value (CSV)* (Porter and Kramer, 2011).

Under the logic of CSV, any ethical, responsible and philanthropic action becomes profitable in an innovative way and places itself at the core of any companies’ businesses: the design of new products and services that meet social and environmental needs while simultaneously delivering a financial return, for instance, goes beyond the merely communication of corporate values, citizenship and sustainability or the compliance to national and international standards (Moore, 2014); it confirms, instead, a strategic intention by the company to move beyond business and social concerns trade-off. With CSV companies coherently build a set of policies and practices that can buster their competitive power meanwhile improving environmental and social conditions within the community, which ultimately, like a virtuous circle, will positively impact on the company as well. Given that “the more a social improvement relates to a company’s business, the more it leads to

economic benefits as well.” (Porter and Kramer, 2002), the breakthrough within the logic of CSV stays in the coherency through which companies place their responsible strategies within their core business and in the transparency when communicating them. For instance, the more Philanthropy is used to enhance competitive context, the more it could bring social and economic goals into alignment and improve a company’s long-term business prospects (Porter and Kramer, 2002)

In essence, CSV represents a change of mentality involving human resources, core processes/goods and services and communication. CSV starts from CSR but imposes its strategies in the form of a new business model. In particular, the CSR dimensions previously described evolve towards a more strategic framework, including: *Strategic Accountability* as compulsory activity to respond to the on-going challenges within society; *Strategic Philanthropy* as combined set of activities to support social and good causes in areas of competitive advantage for the company and coherent to its mission and core business; *Sustainable Deliverables* as concrete development of sustainable processes, goods/products and services that meet social needs while achieving economic return.

Communication plays a key role within the new strategic model of CSV, being considered the primary route through which corporates talk to and are able to reach their audience. Brands talk simultaneously for different purposes and to different targets. As a consequence, transparency and coherency become undisputable when communicating: some of the activities carried out within communities’ interest will be reasonably firstly addressed and communicated to empower corporates’ brand awareness and perception as forms of advertising in the interest of the company and, some others will merely serve social purposes in the stakeholders’ interest and communicated accordingly.

As far as Strategic Accountability and Strategic Philanthropy are concerned, for instance, in a CSV perspective, companies are asked to implement and increase the communication of certain activity almost compulsorily and give more and more evidence of their efforts towards the community through plans clearly and concretely reporting on investments and social returns.

Given the theoretical framework, the aim of the paper is to investigate whether CSR is just a driver of branding or the big move towards CSV implementation (as innovative and more structured way of thinking CSR) is being undertaken and, to which extent, by grocery and banking retailers comparing the situation in Italy and the United Kingdom.

3. Italy and United Kingdom: similarities and differences towards CSR

CSR strategies are built in different ways depending on the country (Brammer and Pavelin, 2006), so the choice of Italy and UK has been driven by considering their peculiarities and characterizations in the adoption of CSR as strategy to achieve economic and reputational benefits (Brammer and Millington, 2005). Italy and the United Kingdom present many similarities in their economical and geographical backgrounds and, at the same time, quite remarkable differences in their cultural environments, where beliefs, personal attitudes and preferences of individuals are formed. Therefore, this particularly affects corporates' attitudes towards ethics and the choice of their major CSR activities, from corporate giving to the implementation of some more marketing-oriented strategies like sponsorships.

On one hand, general settings and economic situation appear to be quite similar in the considered countries. Firstly, the population is estimated to be 60.8 million in Italy and 62.8 in the UK (United Nation Data, 2012) and secondly the Gross Domestic Product shows similar values in both countries: the UN Data estimates Italy GDP for the year 2012 to be equal to billion \$2.013 and UK GDP for the same year to be billion \$2.471 (United Nation Data, 2012).

On the other hand, factors like the social conditions, institutional and historical settings (CGAP, 2011) and the culture as mentioned above greatly differ between Italy and the UK, affecting CSR activities' typology and communication.

By examining closer these differences, at a first glance it is worthy to mention how history and tradition affect the context in which CSR is born.

On one hand, companies in United Kingdom, traditionally, have always played a central role in building and maintaining the so-called welfare state by emphasising on their business philanthropy for responding to "social, economic and political needs" (CGAP, 2011). In this sense, the environment for the proliferation of formalized policies within the area of CSR has always seemed to be more conducive.

In Italy, on the other hand, historically, the growth of cooperative organizations had been instrumental in creating a welfare state whilst corporate philanthropy has always been more connected to religion purposes and characterized by far less visibility and impact if compared to the UK (Assifero, 2010).

By analysing the results achieved by national and international researches and reports, a clearer understanding of the countries' differences in facing the challenge of CSR at a corporate level emerges: investments in CSR are generally increasing. Amount and reasons for investing still differ between the countries.

In particular, 73% of Italian companies with more than 80 employees adopt CSR programmes formally within the company and towards society (RGA, 2012) and communicate them with excellence (KPMG, 2013).

When taking into consideration the philanthropic effort among Italian and UK companies, what emerges is that the average estimated amount for cash and in-kind donations per company out of a broader range of CSR activities is much more higher in the UK ("UK Company Giving", 2011/2012; Osservatorio Socialis, 2014).

Moreover, the second "Report on Sustainability and Competitiveness" carried out by RGA in 2012 shows that in Italy corporates still find hard to integrate responsibility and sustainability into their business model and suffer of a lack of formalization in their CSR management (Istituto Italiano Donazione, 2012): they do not operate autonomously within their department and any choice regarding CSR projects, donations and sponsorships are taken along with the marketing, communication or human resources departments.

Even if Italian companies are paying more attention to innovate their business models, initiatives for CSR are still declared to be highly related to the idea of strengthening brand image and corporate reputation, to attract new customers and improve employees' satisfaction (Osservatorio Socialis, 2014).

Data available for the year 2009 (RGA, 2009) compare Italy to 31 countries (including UK) evaluated for their responsible competitiveness and it is unsurprising that Italy is placed 26th in the ranking, while UK at the 13th position, anticipating at a first glance what the findings from the empirical analysis will reveal.

The peculiar configuration of CSR leading to different level of implementation of CSV between Italy and the UK explains the choice of such geographical areas as objet of the study.

4. Research methodology and sample design

The present research has been carried out as part of an on-going international study that seeks to analyse the link between branding and CSR and the extent to which companies operating in various industrial sectors concretely achieve the implementation of Corporate Shared Value.

In particular, the aim of this paper is to focus on two Retail sectors (Banking and Grocery) and compare the level of formalization and methods of communication of companies' CSR strategies between Italy and the United Kingdom; and to investigate whether

companies included in the sample are developing a new business model, striving to turn from CSR to CSV, varying from retail sector and country.

Grocery and Banking sectors are the object of the study, for three main reasons.

First of all, more than other industrial sectors and especially nowadays, they have the duty toward their customers to respond responsibly to their increased expectations.

Secondly, on one hand, these retailers get in touch with their customers constantly, both at a corporate level through communication and at local level through their products, services and employers. On the other hand, customers have nowadays the power and the capacity to monitor companies' actions and judge the coherence between their communication and actual behaviour at the point of sale (grocery store or banks' branches) and influence it through a powerful mouth-to-mouth advertising. Transparency, in this sense, becomes the core and key word for grocery and banking retailers who want to establish long-term relationships.

Thirdly and eventually, these are the sectors most involved and top-spenders in CSR. Interestingly and not surprisingly they are also the ones most hit by a lack of customers' confidence resulting from the economic and financial meltdown.

Despite the sectors look different at a first glance, policies and programmes for CSR and its communication appear to move to the same direction, beyond the merely building of brand trust to ultimately achieve the highest level of customers' confidence in their products and services.

Grocer Retailers, for instance, address their offer and communication to a target market that is price-sensitive but it has become somehow accepting to pay higher prices for products associated with a good cause in the field of environment, sustainability and humanitarian aid (Musso, Riso, 2006). The Banking sector has been forced to develop a one-to-one relationship with their investors and customers, by strengthening local presence on the territory, activities toward the community and the communication of them, in order to add value to their service proposition and face the challenge deriving from customers' mistrust.

To accomplish the purpose of the research, a sample of twelve (12) companies among Banking and Grocery Retailers, six (6) operating in Italy and six (6) in the UK, has been considered and investigated by adopting the *comparative case studies* method of research.

The sample has been investigated over the extent to which their CSR is becoming a new strategic business model, related but independent on branding and communication activities.

The use of a comparative study has allowed the authors to compare different strategic settings referred to two geographical contexts where the conditions leading to a specific company's attitude ("why") and the behaviour and strategies put in place by a certain company ("how") changes depending on the country (Feagin *et al.*, 1991).

It has been chosen to base the analysis on objective facts; concretely on the set of activities that companies within the sample currently implement and communicate to their audience. As a consequence, any information, documents and records over CSR implementation and communication accessible to the customers have been extracted from websites related to the company under investigation, companies' websites and annual reports (Sustainability Reports, Social Reports, Code of Ethics, International Norms and Standards, creation of ad-hoc ethical products and services, type and amount of cash and in-kind donations to Third Sector Organizations, description of initiatives of social relevance, partnership and sponsorship in the field of CSR). The information have been collected at a single point in time in 2015 and gathered around the three dimensions of the CSV framework and the relation between communication and CSR.

Specifically, information on each company addressed to investigate the extent of CSV implementation, have been gathered around:

Strategic Accountability:

- the spread of CSR communication messages and Reports (including adherence to International Standards) in accordance to the current issues (environmental, societal and economic mainly);
- the level of CSR strategy formalization concerning its governance and mechanisms of decision and control within the company;

Strategic Philanthropy:

- the level of formal implementation and accountability for philanthropy, with clear plans describing the nature of the donations or partnership with Third Sector Organization that match with the mission and core business of the company and the publishing of Reports to function both as financial evidence of the projects and communication of the achieved results;
- the typology of adopted techniques in the field of philanthropy (such as employees volunteering and Cause Related Marketing (CRM) as targeted strategic donations) and the intent they are communicated to serve (branding purposes for instance);

Sustainable Deliverables:

- creation and implementation of sustainable processes, products/goods and services that respond to social needs while delivering a financial return (e.g. development of ethical funds for banking retailers and eco and environmental friendly products for groceries' private labels);

Relation between communication and CSR:

- the extent to which certain CSR activities are pursued and communicated to meet and serve mainly commercial goals rather than the merely ethical intent.

In particular, six (6) companies have been picked up from the Banking sector (3 operating in the UK and 3 players from Italy); and the other six (6) companies competing in the Retail Grocery sector (3 in the UK market and 3 in Italy).

Some precise criteria have been used to choose the companies part of sample within the sector and have varied depending on the industrial sector and the geographical context the company belongs to.

UK Banking sector. Two criteria have been applied: the identification of the largest banks in the UK and – among the largest – the choice of the most involved in CSR. As a result, according to the ranking of the largest European banks for the year 2012 reported on the website relbanks.com and to the “Guide to UK Company Giving” (Lillya, 2011) which ranks the top 25 UK companies most spenders in corporate philanthropy², the sample is here composed by: Royal Bank of Scotland, Lloyds TSB Group and Barclays PLC.

Italian Banking sector. Due to the lack of data investigating the proportion of investments in Corporate Philanthropy, the criterion of the largest corporates in the country has been used. As a result, according to the website relbanks.com the top 3 banks in Italy part of the sample are: UniCredit SpA, Intesa SanPaolo, and Banca Monte dei Paschi di Siena.

UK Retail Grocery sector. Two criteria have been applied: the identification of the largest Retailers Grocery in the UK (among the categories Hypermarket and Supermarket) and – among the largest – the choice of the most involved in corporate philanthropy. As a result, according to the rankings reported on retailindustry.com, the “Guide to UK Company Giving”

² Cash investments: Royal Bank of Scotland Group UK (£ 34.7 million), Lloyds TSB Group UK (£ 33.5 million), and Barclays PLC UK (£ 19.3 million)

(Lillya, 2011) and “Top 3000 Charities 2012/2013” (Caritas Data, 2012)³ that ranks the top 200 donors per community investments, the sample is composed by: Tesco PLC, Sainsbury’s, and Co-operative Group (Food division).

Italian Retail Grocery sector. Because of the lack of data over the top corporate spenders in corporate philanthropy, the three largest Italian Grocery Retailers (in the category Hypermarket and Supermarket) according to the ranking reported by the website retailindustry.com have been analysed: Coop Italia (47th position), Conad Consorzio Nazionale Dettaglianti Soc. Coop. s.r.l. (67th position), and Esselunga SpA (115th position out of 250 Grocer Retailers).

Table 1 – The UK and Italian companies’ sample

UK Banking Sector		UK Retail Grocery Sector	
Royal Bank of Scotland Group		Tesco PLC	
Lloyds TSB Group		J Sainsbury PLC	
Barclays PLC		Co-operative Food Ltd	
Italian Banking Sector		Italian Retail Grocery Sector	
UniCredit Group SpA		Coop Italia	
Intesa SanPaolo Group		Conad Consorzio Nazionale Dettaglianti	
Banca Monte dei Paschi di Siena		Esselunga SpA	

Source: Personal Processing

5. Empirical analysis and discussion of results

The qualitative methodology based on the case study development has helped the authors to collect the research findings around some relevant thematic areas within the topic of CSR towards CSV as new business model - including communication strategies - and report on some differences and relevant similarities emerging from the comparison between the Italian and UK retailer corporates.

Before deepening each of the analysed topics in relation to the countries and the retail sector, some general premises are needed.

First of all, the research findings will mostly confirm the general characteristics of the countries when it comes to their attitude towards CSR and the extent to which they are adopted as standardized strategies by corporates. Indeed, on one hand, Italian companies seem to be still in the process of formalizing their CSR strategy towards CSV as brand enhancement and community wellbeing at the same time, both at an internal level (towards their employees) and at the external one (so as to approach their existing and potential customers). On the other hand, retailer corporates in the UK appear overall more structured in their CSR strategy definition and in the communication of concrete results, whether the implemented CSR programme is directed to sustainable products development, to comply with certain International Standards or to report on the impact of a specific philanthropic activity benefiting the community.

Secondly, being the aim of the paper to highlight the differences and similarities in the evolution of CSR towards the strategic model of CSV between Italy and the UK, the findings

³ 2011 Worldwide community investments: Tesco PLC (£ 64.3 million), Sainsbury’s (£ 25 million), and Co-operative Group (£ 7 million cash donations)

will be drawn to accomplish this purpose of countries comparison rather than sectors'. Nevertheless, it is necessary to clarify that some intrinsic differences in the adoption of CSR as standardized and formalized strategy belong to the specific retail sector besides the country: in Italy, for instance, the Retail Groceries appear generally much less structured in the accountability of CSR programmes and the use of certain tools for achieving philanthropic goals than Banking Retailers.

Eventually, both the retailer sectors, no matter the country, seemed to have understood the practical relevance of adopting CSR policies and programmes and communicating them to their audience. Reasons justifying this choice can be found in the higher amount of scandals that, in the past few years, have severely hit both banking and grocery retailers: from the food safety scandals related to their origin and production to the banking managers misconduct leading to a constant decreasing of public confidence. CSR is a statement for companies and this is the starting point of the present paper; what varies between the countries is its level of formal implementation as innovative strategic business model towards CSV and its mechanism of communication for meeting new customers' expectations.

Each of the twelve (12) retailer corporates has been investigated over the extent to which their actions and behaviours around strategic accountability, strategic philanthropy, sustainable deliverables and relation between communication and CSR meet the criteria of CSV as new business model to accomplish. Results are summarized in the table below and then explained.

Table 2: Findings Summary

Investigated areas	Italy	United Kingdom												
<i>Strategic Accountability</i>														
Spread of CSR policies and reports in accordance to the current issues	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3
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CSR Governance formalization	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3
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<i>Strategic Philanthropy</i>														
Philanthropy for competitiveness – Accountability and Financial Reports	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3
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Employees volunteering	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3
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Cause Related Marketing	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3
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<i>Sustainable Deliverables</i>														
Development of sustainable deliverables	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3
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<i>Communication and CSR</i>														
CSR – Commercial purposes	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3	<table border="1"> <tr><td>B1</td><td>B2</td><td>B3</td></tr> <tr><td>G1</td><td>G2</td><td>G3</td></tr> </table>	B1	B2	B3	G1	G2	G3
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Source: Authors Processing

Strategic Accountability. The spread of CSR policies and programmes within the analysed players appears to be homogeneous in both countries and retailer sectors, confirming an increasing tendency and consciousness in utilizing ethics, sustainable, responsible and philanthropic activities as strategic responses to the current societal and economic challenges. Evidence shows that all the investigated retailer corporates are making extensive use of CSR as compulsory strategic tool by both publishing Reports, Code of Ethics or any other standardized programmes and communicating them within a set of values and certain responsible and ethic behaviours in response to challenging society's needs. Also, the content of the values within CSR is put forth in companies' mission statement, vision and on line and press PR messages, confirming its relevance within the business activity.

Worthy of mention is the fact that three (3) players in the Retail Grocery sector (one in the UK and two in Italy) operate in the market with the legal form of Cooperative, which implies a responsible attitude mandatory within their core business.

As far as the Governance of CSR is concerned – another key aspect to investigate CSR strategic implications - results show that both the retailer sectors in the UK and banking sector in Italy provide an high level of formalization. In these sectors CSR Units or Committee, becoming pure business departments/functions working closely with the Board of Directors and/or the Chairman directly and handling strategic and operational duties even concerning the Brand governance, which is supposed to reflect and balance the economic and social impact of a certain programme for CSR.

At the opposite, none of the Italian grocer retailers adopt a formal mechanism of control and governance for CSR, with activities spread within the Marketing, Communication and Board Departments indifferently.

To conclude, the biggest step forward in the field of strategic accountability to create CSV is being taken generally by banking retailers no matter the country. UK grocery retailers represent a benchmark for the Italian, in building an independent governance system for CSR in charge of activating and managing a new business model that is connected to the marketing and communication departments but goes beyond them, to embed the whole company.

Strategic Philanthropy. Generally speaking, the policy for implementation and accountability for Philanthropy appears to be more structured and standardized in the UK retailer corporates rather than the Italian ones.

In particular, the extent to which philanthropy is considered a proper strategic move with the development of clear plans showing the nature and the amount of investments in causes of social interest and measurement of their impact is higher within the UK retailers.

On one hand, banking sector – no matter the country – is more likely to give evidence of their Philanthropic activities by including such activity in their Social Reports as well as in Financial Plans.

On the other hand, Italian Grocer Retailers appear, once again, less structured and formalized: their support to Third Sector is mostly one-shot donations or random partnerships where the intent and the amount of philanthropic financial effort is communicated but the concrete impact and measurement of achievements is not. This has, as consequence, a perception of lower transparency and impact on corporates' business strategy, both at internal and external level.

The investigation over the typologies of adopted techniques in the field of Philanthropy (such as employees volunteering and CRM as strategic partnership) confirms what described above. All the UK players make a greater use of Employees' Volunteering than the Italian, confirming and showing a philanthropic attitude shared and spread inside the whole company, at all levels of responsibility, which is becoming as mandatory as any other core business

activity. Having realized the relevance of restoring a trustful and transparent relationship with their customers that happens at a local level (grocery stores and bank branches for instance), the UK retailers are taking, in this field, a huge step forward toward CSV creation. Accordingly, philanthropic projects involving employees to volunteer and/or fundraise for charities at the Point of Sale or Branch appear to be more structured with clear strategic plans.

As far as Cause Related Marketing (CRM) is concerned, findings report a high and homogeneous level of use of such technique in both countries and retailer sectors, with consistent differences between the countries in relation to the way these partnerships are built and their *reason why*. UK retailers, for instance, implement projects with longer gestation and life-cycle that are highly-connected to the company's core business and aim at enhancing business competitiveness and communities' well-being at the same time. At the opposite, Italian retailers still need to work on the strategic impact of their CRM programmes: they appear to be not strategically connected with their core business yet and more addressed to merely increase the perception of corporates' brands in a marketing-oriented process rather than having long-term strategic impact.

To sum up, confirming an intrinsic attitude typical of the Anglo-Saxon world, the tendency suggests that UK players have turned Philanthropy to a concrete strategy pursued with clear economic and social returns more than the Italian ones, that are still more focused on the commercial implication of Philanthropy.

Sustainable Deliverables. All the retailers have understood the strategic importance of concretely developing processes, goods/products and services that meet environmental, sustainable and responsible requirements. No differences emerge between the investigated countries and retailer sectors, confirming a general will to move from the merely communication of sustainability and responsibility as principles to follow when doing business to the fulfilment of a strategic concrete business model. Banking retailers in both countries, for instance, are highly involved in the development of social responsible funds and investments in green and renewable energy projects; grocer retailers are similarly putting in place and selling their private label Fair Trade products and activating training programmes for ethical trading.

Communication and CSR. As shown above, it is clear that consistent efforts in creating a new business model for CSR and strive towards the implementation of Corporate Shared Value are being made by the majority of the companies part of the sample, with less structured programmes and plans for CSR adopted by Italian grocer retailers. The strategy for communication reflects the extent to which the investigated retailers are setting up their CSV model.

One of the changing element in the argumentation of CSV is that the company becomes transparent and clear in its communication messages by admitting which kind of responsible, sustainable and philanthropic actions are undertaken with the aim of benefiting the society while impacting also on the brand perception enhancement. UK retailers seem to have taken a step forward in understanding this concept: the majority of the players clearly state and communicate to their stakeholders which CSR activity (especially in the philanthropic dimension) is carried out primarily with a commercial intent and the purpose to strengthen their brands competitiveness.

6. Conclusions and further implications

It is possible to conclude that, overall, despite the common propensity among both countries and retailer sectors to build a new business model of CSV as far as implementation of

sustainable deliverables and compulsory accountability is concerned, the main differences emerge between the countries when it comes to the achievement of strategic philanthropy and its relation to brand communication. UK players seem to be more effective than Italian corporates in formulating a strategy that reaches simultaneously brand enhancement and social purposes, with positive repercussions on their competitiveness.

All the analysed players appear to be re-thinking their conduct in business, at the core level, in a stakeholders' perspective and have formally set up concrete responses to environmental and energy crises, financial crisis, pressure on innovation and fast development of information and communication technology, and eventually to the mounting pressure from stakeholders – which includes, of course, a change in their needs and expectations from business.

The research reveals its usefulness to function as collection of best practices that might serve as example for the Italian grocer retailers – which are still at an earlier stage of CSV implementation – and to further the debate around Shared Value and its impacts for retailers competitiveness, society well-being and ultimately on its effectiveness in increasing customers' perceptions and meeting their needs more appropriately. CSR does no longer represent a driver of the brand; results show that the imperative is to build a coherent strategy embedded by the whole corporate at a global and local level that considers brand competitiveness and society's improvement as linked parts of the same purpose: a sustainable and economic growth.

The on-going adjustments in developing a strategic business model for CSR towards the creation of Corporate Shared Value imposes continuous changes inside the company and the necessity to “share” those must be nowadays at the top of corporates' occupations; brands and CSR are strictly connected in the value creation process and its sharing. In this logic, consumers are not in touch with just brands; they constantly experience corporates' actions and behaviours and expect them to consistently and trustfully be coherent with the communication messages. Increasing their power in upholding corporates' good conduct, consumers' point of view around the connection between CSR and branding will be the forthcoming subject of investigation, to point out whether the creation of Shared Value is correctly reflected through communication in customers' perceptions and to which extent. New researches will keep focusing on the comparison between Italy and the UK.

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