

Corporate social responsibility in marketing perspective: qualitative study of domestic companies in East Java



 *Endang Siswati*^{(a)*}  *Rika Liftiana*^(b)  *Juliani Pudjowati*^(c)

^(a,c) Department of Management, Faculty of Economics and Business, Bhayangkara University Surabaya, Indonesia

^(b) Department of Economics and Management, Institute of Economic Science Pemuda Surabaya, Indonesia

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ABSTRACT

This research is qualitative research which aims to find out what forms of CSR implementation exist in domestic companies in East Java, the benefits for companies in implementing CSR and how CSR influences marketing. Respondents in this research were domestic companies in East Java. Data collection in the field was carried out using survey methods. After the data was obtained, data triangulation was carried out. Data analysis includes three components, namely data reduction, data presentation, and drawing conclusions. The research results found that the CSR programs implemented by companies on average were almost the same, namely helping to solve problems in the environment around the company. From implementing this CSR, the Company obtains several benefits, although they are not felt instantly at that time, namely increasing the company's goodwill so that stakeholders can feel the benefits. In the long term, the presence of goodwill and trust from the public will have an influence on customers and potential customers, namely attracting interest in buying the company's products or services. In the long term, this can increase the company's turnover so that the company can achieve its goals.

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Introduction

Tight business competition means companies must be smart in choosing strategies in running their business. Currently, quite a few companies cannot survive because they chose the wrong marketing strategy. The government of a country must encourage domestic companies to ensure economic growth. According to statistical data, the number of domestic companies in East Java in 2022 will be 6,000 businesses or companies <https://jatim.bps.go.id/>. In order to win the competition, domestic companies in East Java must have a strategy that is not inferior to foreign companies so that domestic products have equal competitiveness or may have the same competitiveness.

In business, the marketing strategy chosen can affect the company's operations. CSR, which stands for corporate social responsibility, is a company obligation that must be fulfilled as a form of company commitment in carrying out its business activities by paying attention and contributing equally to stakeholders (Danang Sunyoto et al., 2016). Currently, CSR is not something that is seen as a burden for the company, but This is a need that should be met as much as possible. Starting from small companies to large companies, many of them carry out corporate social responsibility, where their activities depend on the amount of funds set aside by the company. CSR is no longer placed in the social and economic realm as an appeal, but has entered the realm of law which 'forces' companies to actively participate in improving the conditions and standard of living of the community. The business world, which so far seems profit oriented, is changing its image to become an organization that has social responsibility towards the environment, (Rahmat, 2017) Organizations do not only depend on business success, but also on their contribution to society (Irawan & Alamsyah, 2023) World Economic The forum has emphasized that the company's goal is not only to seek maximum profits for shareholders but also to produce optimal benefit value for all stakeholders (Santoso & Raharjo, 2021).

* Corresponding author. ORCID ID: 0000-0001-6902-915X

On the other hand, a product must be communicated to potential consumers or consumers so that the existence of the product can be known. How a company communicates its products is very dependent on the marketing strategy used by the company. Companies can use eight marketing communication models as marketing strategies, including advertising, promotions, events and experiences, and public relations and publications, of which the fourth is mass communication. Direct marketing, interactive marketing, word of mouth marketing and personal selling are personal communications. (Kotler & Keller, 2009) Marketing is meeting needs profitably. Several companies have implemented corporate social responsibility towards the surrounding environment where the company is located. Apart from the company's concern for the surrounding environment, without realizing it, the CSR company will increase the goodwill of the company or the company brand so that in the long term it is believed to be able to increase the company's sales. The current intense competition means that companies have to develop various strategies, both small, medium and corporate companies, trying to deploy various strategies that enable companies to obtain high sales so that they can obtain maximum profits and achieve company goals.

From the background above, the problem can be formulated as follows: 1. What are the forms of CSR implementation? 2. What are the benefits for companies in implementing CSR, 3. What is the influence of CSR on marketing for companies that implement it?

Literature review

Theoretical and Conceptual Background

According to (Pride et al., 2017) Along with government involvement in business, awareness of social responsibility in business has also increased. Business owners are concerned about the rate of return on their investment. On the other hand, employees also demand improved working conditions, and consumers also want safe and reliable products, not to mention demands regarding environmental sustainability. Therefore, managers must be able to operate in a complex business environment, namely that managers are not only responsible for their actions but also for their actions as citizens.

There are pros and cons to this company's social responsibility. Arguments supporting increased social responsibility explain that business must do more than just make a profit, therefore business is part of society, business cannot ignore social issues. Businesses have the technical, financial and managerial resources necessary to address today's complex social issues. By helping solve social problems, businesses can create a more stable environment for long-term profits. So businesses have responsibilities not only to shareholders but also to customers, employees, suppliers and the general public.

The argument against increasing social responsibility is that businesses must concentrate on doing their best, namely to get the maximum profit possible by producing and marketing products that customers and potential customers want. Managers are only responsible primarily to shareholders, so management's focus is on returning the owner's investment. Time, enterprise, money, talent should be used to maximize profits, not to solve society's problems. Social issues are the responsibility of government officials. So the main goal of business is to make a profit, while social problems will be handled by the government and social institutions.

(Kotler & Keller, 2009) Marketing is related to identifying and meeting people's needs. Another definition of marketing is meeting needs profitably. According to the American Marketing Association, marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and managing customer relationships in a way that benefits the organization and its shareholders. The social definition of marketing is a social process in which individuals and groups obtain what they need by creating, offering, and freely exchanging products of value with others. According to managerial definitions, marketing is often described as the art of selling products. The aim of marketing is not to expand sales everywhere, but rather to know and understand customers in such a way that the product suits the customer and then sells itself.

Empirical Review

Every company has goals that it wants to achieve, and one of the efforts to achieve them is that the company must pay attention to current trends in its marketing technology practices. Apart from achieving large profits, it can also improve the company's image which can be obtained by implementing corporate social responsibility programs, (Kurniah, 2023). The impact of corporate social responsibility on brand equity value-based marketing performance to encourage the creation of consumer preferences and consumer purchasing intentions (MS, 2019) Marketing strategy and corporate social responsibility make a major contribution to the formation of customer satisfaction and customer loyalty, Udayana, (Udayana et al., 2023). CSR has a significant influence on brand image (Primadini, 2016). CSR has a big influence on sales and the company's name becomes increasingly well known. (Putri & Aji, 2019).

Research and Methodology

This research uses qualitative research methods, using respondents consisting of several domestic companies located in East Java, data collection was carried out using interview methods with informants in several companies, starting from August 1 to November 30 2023. After the data was obtained, data triangulation was carried out. Data analysis uses interactive model analysis as developed by (Miles & Huberman, 1984) Data analysis includes three components, namely data reduction, data presentation, and drawing conclusions, so that results that are close to the truth can be obtained.

Analysis and Findings

In this research, the following data were obtained:

Forms of CSR implementation at PT SIER Surabaya include:

Local Community Empowerment can, among other things, provide training to local communities, including skills training programs, entrepreneurship development, or providing educational scholarships. Improving social infrastructure such as roads and clean water facilities. Community Engagement The company holds activities or events that involve the local community, for example social service programs.

Through CSR programs that are sustainable and have a positive impact, companies can improve their image and reputation in society, consumers and other stakeholders. This can increase customer trust and loyalty, as well as support good relations with the government and local communities

Good relationships with stakeholders Through CSR programs, companies can strengthen relationships with stakeholders, such as local communities, non-profit institutions and the government. This creates opportunities for collaboration, support and promotion that can improve the company's image and open the door to mutually beneficial collaboration.

Forms of CSR implementation at PT Ophthalindo Jaya include the following: Community Empowerment such as providing training or education to local communities in the field of eyes and eye health. This can be done through programs such as free eye seminars or training, eye health awareness campaigns, or assistance with access to affordable eye care for underprivileged communities. Companies can involve themselves in public health activities. For example, PT Ophthalindo Jaya Surabaya can support broader eye health programs, such as free eye examination campaigns in remote areas or donating medical equipment to local clinics or hospitals. Companies can make efforts to maintain and protect the surrounding environment. For example, implementing environmentally friendly practices in the workplace, such as reducing waste.

Through positive and sustainable CSR activities, PT Ophthalindo Jaya can strengthen the company's image as an entity that cares about the community and the surrounding environment. This can increase the company's trust and reputation in the eyes of consumers, business partners and the wider community.

Expanding market reach, through targeted CSR activities, companies can gain recognition and attention from a wider audience. This can help companies expand their market reach and attract new consumers who are interested in the social values that the company upholds.

The CSR implementation at PT Sonokembang Tunas Jaya are: Community Partnerships can establish partnerships with local organizations or communities to develop joint projects that improve the welfare of local communities. In social activities, such as educational programs, job training, health, or assistance in emergency situations.

Advantages of PT. Sonokembang Tunas in implementing CSR is improving its good image and reputation, improving relationships with important stakeholders, and increasing its attractiveness in the eyes of employees.

The Influence of CSR on PT Marketing. Sonokembang Tunas Jaya attracts and strengthens relationships with customers, business partners and investors

CSR implementation at Pasar Bhakti Bank is to increase the economic welfare of the community through providing access to financial services such as microcredit for small and medium businesses, entrepreneurship training, and capital assistance programs for business development.

The CSR carried out by Vasa Hotel Surabaya is: Vasa Touch provides several tools for colleagues with disabilities such as wheelchairs, walking aids and canes for people with disabilities. This activity was recognized by the Cluster General Manager of Vasa Hotel Surabaya, Roberto Kotambunan, as a form of Vasa's good intentions towards the people of Surabaya. Vasa Hotel provided assistance in the form of basic food packages and baby strollers which were directly handed over to the Surabaya City Social Service. More than 400 eggs and UHT milk as well as 45 cartons of Prenagen Mommy milk were distributed to 27 recipients consisting of 12 stunted toddlers and 15 Chronic Energy Deficiency pregnant women.

All of this aims to ensure that Vasa's internal community knows that every dedication they make while working can provide direct benefits to the community. Carrying out CSR programs on a regular basis is intended so that the charitable activities carried out by Vasa Hotel can be well documented and informed internally.

Through Vasa Touch, which is a special program in the form of CSR, Vasa Hotel would like to express the influence of CSR on marketing, including: thanking the people of Surabaya for their support. Vasa Hotel will not be what it is now. Vasa Hotel visitors are increasing every year. Moreover, Vasa Hotel is a 5 star hotel brand which is still relatively new, but has successfully demonstrated its existence on the national and international stage.

CSR implementation at the JEC-JAVA Main Eye Clinic includes: JEC-JAVA Surabaya together with the Abdihusada Utama Social Foundation in the context of Surabaya's 730th anniversary provided free cataract surgery to 100 residents as a form of concern for the community who were helped and restored their sense of sight so they could return to living their daily lives. a better quality and more productive life.

The benefits obtained from implementing the CSR program are gaining a good image and reputation as well as sympathy from the community and making the eye clinic number 1 in Surabaya. As a result, it has an impact on marketing, many patients from hospitals are referred for eye care, thereby increasing the number of patients seeking treatment.

Implementation of CSR at PT Kreasi Nostra Mandiri:

The company collaborates with local farmers to implement environmentally friendly sustainable farming practices, the company also provides training, mentoring and resources to local farmers to improve their skills, and the company implements waste reduction, recycling or responsible waste management practices to reduce the impact negative for agriculture. environment.

The benefits can build a positive company image and reputation in the eyes of consumers, business partners and the wider community

Through CSR activities that are transparent and have a positive impact, Sayur Box can build consumer trust in its brand and products. Consumers who are socially and environmentally conscious tend to prefer companies that have a strong CSR commitment.

Implementation of CSR at PT Prima Dinamika Sentosa: setting long-term goals may focus on community development, the environment, education, or health. And in addition to an external focus, pay attention to programs that involve employees. For example, holding training and development programs, prioritizing diversity, or facilitating employee welfare activities.

The benefit is that through positive CSR programs, companies can improve their image and reputation in the eyes of the public, customers and other stakeholders. And companies that have strong CSR programs tend to be more attractive to prospective employees. They view the company as a workplace that has social awareness and provides opportunities to contribute to society and the surrounding environment.

The influence on marketing is to obtain a good image in the eyes of consumers and the wider community, PT Prima Dinamika Sentosa strengthens relationships with key stakeholders, such as customers, business partners and local communities, and PT Prima Dinamika Sentosa increases its credibility in the eyes of customers and the community. . When companies actively report and publicize the results and impacts of CSR programs, this can create trust and communicate a strong commitment to social and environmental responsibility.

Discussion

There are many benefits that can be felt by companies that implement CSR, including improving the company's reputation so that the company can strengthen relationships with stakeholders, including the government, banking relations, distributors, suppliers and customers. This is in line with research conducted by (Purnama, n.d.) the results of which are that good CSR management can improve reputation and create competitive advantages. Another benefit is that it can increase the confidence of investors, customers and the general public and ultimately improve the company's image and reputation.

Another benefit is that it can retain employees who are highly qualified and perform well, so that employees no longer move in and out of the company, which will only be a hassle for the company in recruiting, training, guiding and employees leaving and so on.

The benefits of CSR for marketing, even though CSR is not intended for promotion, can indirectly strengthen promotion so that it can increase added value for a product, it can strengthen relationships with customers so that it can expand market share. This is in line with research conducted by (Wangke, 2019) whose results show that CSR can be used as an effective marketing strategy, providing added value to products, if carried out continuously and in synergy with other marketing strategies, the result is that the company will survive in long-term. (Pride et al., 2017)

Table 1: Implementation, Company Profits, and the Effect of CSR on Marketing

CSR Implementation	Benefits of companies implementing CSR	The influence of CSR in marketing
Providing education and training, improving skills	Companies can strengthen relationships with stakeholders, such as local communities, non-profit institutions and governments. Create opportunities for collaboration, support and promotion that can improve the company's image.	Companies can strengthen relationships with customers and increase promotions. Helping companies expand their market reach and attract new consumers who are interested in the social values that the company stands for.
Developing entrepreneurship	Companies can improve their image and reputation in society, consumers and other stakeholders.	Attract and strengthen relationships with customers, business partners and investors.
Providing educational scholarships	Improving a good image and reputation, improving relationships with important stakeholders, and increasing attraction to employees.	Improve good image and reputation. Open market opportunities.
Providing road, bridge, clean water and health infrastructure for the surrounding community.	Gain a good reputation in the eyes of consumers, investors and the wider community. As well as helping PT. Sinar Food Sejahtera in attracting and retaining high quality employees.	Building consumer trust in brands and products.
Providing equipment for the disabled	Can build an image and reputation as a socially responsible financial institution. This can increase the trust of customers, investors and the general public in banks which can provide long-term benefits in the form of business growth and customer loyalty.	Obtain a good image in the eyes of consumers and the wider community.
Providing basic necessities, providing milk to the local community.		
Providing free cataract surgery.		

Source: Analysis results (2023)

From the data above, it can be seen that the implementation of corporate social responsibility carried out by domestic companies in East Java, the programs designed by these companies are programs designed to help solve environmental problems, including providing educational costs, conducting training programs according to the needs of the surrounding community, improving road infrastructure, environmental cleanliness, clean water, some in the health sector, providing basic necessities and so on. The size of CSR activities really depends on the size of the company in terms of funding. Several companies that implement CSR have budgeted the costs of the CSR programs they have designed.

Conclusion

Currently, many companies have implemented corporate social responsibility, ranging from small companies to corporate companies, both companies that produce goods or services. On average, CSR programs implemented by companies are almost the same, namely helping to solve problems in the environment around the company. The benefits obtained by companies that implement CSR include improving the company's reputation and image in the eyes of stakeholders. With a good reputation and company image, this can have an influence on customers and potential customers, namely attracting interest in buying the company's products or services. In the long term, this can increase company turnover so that company goals can be achieved.

The examination of different corporate social responsibility (CSR) implementations in various companies, such as PT SIER Surabaya, PT Ophthalindo Jaya, PT Sonokembang Tunas Jaya, Pasar Bhakti Bank, Vasa Hotel Surabaya, JEC-JAVA Main Eye Clinic, PT Kreasi Nostra Mandiri, and PT Prima Dinamika Sentosa, highlights the notable advantages obtained from CSR endeavors.

To begin with, successful corporate social responsibility (CSR) activities improve a company's perception and standing in the society, cultivating trust and loyalty among customers and stakeholders. Through the implementation of sustainable and impactful corporate social responsibility (CSR) initiatives, corporations have the opportunity to establish themselves as conscientious corporate organizations, thereby garnering endorsement from both consumers and political bodies.

Additionally, corporate social responsibility (CSR) initiatives foster the establishment of robust connections with diverse stakeholders, encompassing local communities, non-profit entities, and governmental institutions. These collaborative alliances create opportunities for cooperation and assistance, so enhancing the company's standing and promoting reciprocal advantages.

Furthermore, corporate social responsibility (CSR) efforts have a role in broadening market penetration and enticing new customers who share the company's ethical principles. By exhibiting a steadfast dedication to social responsibility, corporations have the ability to distinguish themselves within the marketplace and foster a devoted clientele.

Moreover, corporate social responsibility (CSR) activities result in internal advantages such as the retention and happiness of employees. Organizations that place a strong emphasis on corporate social responsibility (CSR) frequently observe elevated levels of employee engagement and morale, resulting in enhanced performance and diminished rates of employee turnover.

In summary, the results underscore the diverse benefits of implementing corporate social responsibility (CSR), which encompass improving reputation and stakeholder connections, cultivating employee loyalty, and strengthening marketing efficacy. The adoption

of corporate social responsibility (CSR) as a fundamental business strategy not only enhances societal well-being but also enhances the long-term competitiveness and sustainability of enterprises.

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