# CSR\_in\_Marketing\_Perspective. docx

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#### CSR in Marketing Perspective: Qualitative Study of Domestic Companies in East Java

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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 solvey 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.

#### **Background**

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). CSR also 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).

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 meriences, 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 ne profitably. Several companies have implemented corporate social poponsibility 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 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)

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

#### Corporate Social Responsibility

(Pride et al., 2017) Along with government 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 tocial 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 reate 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.

#### Marketing

(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 pocess 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. Every comparishas 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 aractices. 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)

#### RESEARCH 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 Au<sub>34</sub> st 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.

#### RESULTS AND DISCUSSION

In this research, the following data were obtained:

#### What is the form of CSR implementation at PT SIER Surabaya?

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 Involvement The company holds activities or events that involve the surrounding community, such as social service programs.

What are the benefits for companies in implementing CSR?

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

What is the influence of CSR on marketing?

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 enhance a company's image and open the door to mutually beneficial collaboration.

#### What is the form of CSR implementation at PT Ophtalindo Jaya?

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.

What are the benefits for companies in implementing CSR?

Through positive and sustainable CSR activates, 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.

What is the influence of CSR on marketing?

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 stands for.

#### What is the form of CSR implementation at PT Sonokembang Tunas Jaya?

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.

What are the benefits for companies in implementing CSR?

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

What is the influence of CSR on marketing?

The influence of CSR on PT's marketing. Sonokembang Tunas Jaya is attracting and strengthening relationships with customers, business partners and investors

What is the form of CSR implementation at Pasar Bhakti Bank?

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.

How does Vasa Hotel Surabaya carry out CSR?

Vasa Touch provides several tools for disabled colleagues sign as wheelchairs, walking aids and canes for the blind. This activity was recognized by the Cluster General Manager of Vasa Hotel Surabaya, Roberto Kotambunan as an embodiment of Vasa's good will towards the people of Surabaya. Vasa Hotel provided assistance in the form of basic food packages and baby strollers which were immediately handed over to the Surabaya City Social Service. More than 400 eggs and UHT milk and 45 boxes of Prenagen Mommy milk were distributed to 27 recipients consisting of 12 stunted toddlers and 15 Chronic Energy Deficiency (KEK) pregnant women.

What are the benefits for companies in implementing CSR?

All of this is intended so that the internal Vasa public knows that every dedication they make while working can provide direct benefits to society. 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.

What is the influence of CSR on marketing?

Through Vasa Touch, which is a special program in the form of CSR, Vasa Hotel wants to express its gratitude to the people of Surabaya for their support. Vasa Hotel will not be like it is now. Vasa Hotel visitors are increasing every year. Moreover, Vasa Hotel is a 5 star hotel brand which is relatively new, but has successfully demonstrated its existence on the national stage, even at the New Year celebration Vasa Hotel succeeded in presenting the theme Journey to the Top of the World North Pole

#### How is CSR implemented at the JEC-JAVA Main Eye Clinic?

Every eye rehabilitation effort to maintain and increase productivity is an essential step. JEC-JAVA Surabaya together with the Abdihusada Utama Social Foundation in the context of the 730th Surabaya 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 a more quality and productive life.

What are the benefits for companies in implementing CSR?

The benefits associated with implementing a 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. Many patients from hospitals are referred for eye treatment to the JEC – JAVA Eye Clinic.

What is the influence of CSR on marketing?

It has a big impact on JEC – JAVA because it can increase the number of patients seeking treatment.

#### How is CSR implemented at PT Kreasi Nostra Mandiri (vegetable box)?

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

What are the benefits for companies in implementing CSR?

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

#### What is the influence of CSR on marketing?

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 be more inclined to choose companies that have a strong CSR commitment.

What is the form of CSR implementation at PT Prima Dinamika Sentosa?

Setting long-term and short-term goals for the company's CSR program. For example, 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, promoting diversity, or facilitating employee welfare activities.

What are the benefits for companies in implementing CSR?

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

What is the influence of CSR on marketing?

Obtaining 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

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
1. 2. 3. 4. 5. 6.	Providing education and training, improving skills Developing entrepreneurship Providing educational scholarships Providing road, bridge, clean water and health infrastructure for the surrounding community. Providing equipment for the disabled Providing basic necessities, providing milk to	<ol> <li>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.</li> <li>Companies can improve their image and reputation in society, consumers and other stakeholders.</li> <li>Improving a good image and reputation, improving relationships with important stakeholders, and increasing attraction to empoyees.</li> <li>Gain a good reputation in the eyes of consumers, investors and the wider community. As well as helping PT. Sinal Food Sejahtera in attracting and retaining high quality employees.</li> <li>Can build an image and reputation as a socially responsible financial institution. This can increase the trust of customers.</li> </ol>	1. Companies can strengthen relationships with customers and increase promotions.  2. Helping companies expand their market reach and attract new consumers who are interested in the social values that the company stands for.  3. Attract and strengthen relationships with customers, business partners and investors.  4. Improve good image and reputation.  5. Open market opportunities.  6. Building consumer trust in brand and products.
7.	the local community.  Providing free cataract surgery.	investors and the general public in banks which can provide long-term benefits in the form of business growth and customer loyalty.	the eyes of consumers

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. 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 state holders, 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 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)

#### 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.

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