

# Effective CSR initiatives can lead to profits



By [Dr Estelle van Tonder](#)

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Over the past decade many corporate organisations have joined the crowd and invested in socially responsible initiatives to demonstrate to their customers that they care about the world and wish to alleviate poverty and generally improve the living standard of society.

While these actions are in itself noble, clever organisations will realise that regular interactions with stakeholders on CSR initiatives can also assist them in identifying trends in the market and introducing new innovations.

## CSR initiatives can equal greater profits

Regular interactions with customers by means of CSR initiatives can also enable the organisation to anticipate and respond to social changes in the environment, where customers can provide ideas for new products, processes and markets.

Knowledge structures about new creative ways of operating can be created and opportunities identified in the marketplace can be noted. In essence, CSR initiatives could be used as a "radar" for identifying new ideas that can be transformed into opportunities for value creation and that can result in greater profits for the organisation while it benefits society.

Firstly, corporate organisations wanting to prosper in the modern competitive business environment have to be acutely aware of the social and environmental impact of their operational processes and must engage with their customers when designing new products and services. Organisations have an obligation to design socially responsible products and to consider the implications of social responsibility across their supply chain.

## Social media a perfect tool for CSR initiatives

Secondly, organisations should be aware of the value that social media platforms can provide in learning more about the hearts and minds of their customers.

Social media has become the new medium of communication in the 21st Century and can be used as an effective tool to engage with customers about CSR initiatives: assess their point of view, identify needs and preferences and allow the customer to co-create the CSR strategy and social innovation for the business.

Customers have the best knowledge of their values, opinions and emotions and can easily communicate their ideas on social media platforms. The benefits of this approach include community identification and faith in the activities of the business.

## No ready-tailored package

Using social media platforms to connect with customers, however, should by no means be viewed as a ready-tailored package. Applications change rapidly and the functionality of each platform and type of message to be conveyed must first be carefully considered.

For example, organisations can make use of Facebook to explore new product innovations or services. Solutions from participants can then be presented on blogs through verbal descriptions and visual designs. Groups dedicated to certain business products or ideas could also be created and discussions and debates can be facilitated to obtain more insight into the opinions and needs of customers.

Ultimately, the successful execution of these initiatives could lead to organisations designing social innovation products that truly address the needs of society and contribute to the improvement of organisational behaviour within the social responsible environment.

## ABOUT DR ESTELLE VAN TONDER

Dr Estelle van Tonder is head of department in the Faculty of Management and Leadership of Milpark Business School. She was awarded her DCom degree in Marketing Management in 2010 and also holds a Postgraduate Diploma in Financial Planning. Estelle currently lectures in Strategic Marketing Management on the MBA programme at Milpark.

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