

CSR programmes... marketing gimmick or marketing gold?

 By [John Harvey](#)

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South African businesses have always been quick on the uptake when it comes to corporate social responsibility (CSR) programmes, but the question is often asked whether these projects indeed have the desired impact.

One of the biggest hurdles businesses need to recognise and overcome is the perception that CSR is nothing more than a marketing gimmick, yet according to the Finance and Accounting Services Sector Education and Training Authority (Fasset), "it does not have to be if you are honest about your plan, and everyone can see your commitment to your CSR initiative".

That said, Fasset does acknowledge there is benefit for a business in terms of enhancing customer satisfaction, showcasing employees' commitment to the business through their involvement in the programmes, and improving relations with suppliers who take note of the company's work with communities.

Businesses, both big and small, are acutely aware that South Africa is a country that continues to exhibit great economic inequalities, and for this reason CSR has become an important part of addressing this imbalance.

While the South African Companies Act does not oblige companies to engage in CSR, the country's Policy Document and King Report on Corporate Governance focus on the need for social, environmental and economic concerns in respect of a business's responsibilities.

If not, why not?

Essentially this means that a business needs to justify why it is not engaged in one or more responsibility programmes if it is not doing so already.

What is interesting to note is that while it has traditionally been large multinationals to champion CSR initiatives, due to their greater budgets, an increasing number of smaller businesses have begun to follow suit. Not only does this boost their presence in the community, but studies have shown that addressing societal concerns increases the levels of company productivity.

This is because often is the case that employees themselves may have been directly or indirectly impacted by one or other issue facing the community at large, and as a result care more about addressing the problem.

Who cares, wins

Stelio Nathanael, chief executive of Gold Brands, whose stable includes [ChesaNYAMA](#), pitaland and 1+1 Pizza, agreed that CSR programmes are vital in a country like South Africa.

"We all know that many of our people are previously disadvantaged, and for that reason it is important to show communities that we care. I have always worked on the philosophy that what you give you will get 10 times back, and I have seen that with our own CSR programmes," Nathanael said.

"We are very diverse in our outreach programmes, and do a lot of charity work, work with schools and NGOs and provide bursaries. I think in our case with ChesaNYAMA, where we specialise in traditional township-style grilled meat, the communities we serve can identify with what we are trying to do."

Nathanael acknowledged that CSR does play a role in marketing his brand "but it is so much more than that".

"From an employee perspective, being involved in these programmes really touches their hearts. That is a very positive thing to see, and the result is that they are very keen to work hard for your brand and business. Doing good is about helping your community as well as your business."

ChesaNYAMA has also become involved in grassroots and professional boxing, a sport that traditionally in South Africa has been key to getting kids off the streets.

"We have come on board to sponsor three boxing tournaments, two in South Africa and one in Monaco, in the next three months. We are very excited about that and the opportunity this represents for our young people."

And the research finds...

The trend towards CSR in South Africa is supported by research by Tshikululu Social Investments in its "What Motivates Corporate Citizenship" report 2014.

The research, undertaken by Tshikululu's Tracey Henry and Michael Rifer and derived from interviews with 41 businessmen from 39 companies, shows that social responsibility programmes are seen as "an extension of a company's value and culture"; 60% of respondents indicate market and brand positioning factors contribute to their involvement in CSR projects, and nearly two thirds of businessmen feel shareholder pressure to support these projects.

These findings indicate that South African shareholders do not believe that social responsibility initiatives diminish value, and in fact suggest they add value," Henry said.

ABOUT JOHN HARVEY

John Harvey is Media Relations Consultant at Roger Wico, an established, award-winning digital marketing agency based in Cape Town. He was weaned and came of age on a very unhealthy diet of new sprint and post-midnight deadlines - yet still comes back for more.

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