Corporate Social Responsibility in International Business

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MET AD 655 International Business, Economics, and Cultures
Spring 2014
1. Introduction

Corporate Social Responsibility or ‘corporate citizenship’ has become a driving factor indicating success for many companies. CSR is a factor that can provide a company with a competitive advantage and therefore more profitability. CSR is described by Kasper Ulf Nielsen, the executive partner of Reputation Institute, as “a core element of reputation and can be used to help establish trust and goodwill amongst stakeholders” (Smith, 2013). Consumers, employees, the local community, and anyone connected to or having a special interest in the company may think more favorable of a company whose focus of CSR is a high priority. Companies with CSR as a high priority are proving they are willing to become more transparent and become accountable for issues greater than their own bottom line. Many consumers respect companies with this transparency and may even be willing to spend more and dedicate their allegiance on a greater level than the norm.

The more technology has advanced, the more companies can take advantage of CSR as a tool for a competitive advantage. This is a new element driving public knowledge of companies that have either taken their responsibility as a serious duty or on the other hand, have chosen to ignore responsibilities. News and media spread like wildfire with technology such as twitter, Facebook and social media, as well as online news, that is easily accessible 24 hours a day. In other words it is harder to hide and easier to promote a company’s set-backs or successes with CSR. In addition, with the globalization of many businesses, corporations taking social responsibility can make a notable change in a local community all the way in China for example and it can be publicized all over the world. This allows international businesses to become better known for their CSR no matter what small town or large city or community is affected.
There are 4 overarching categories of CSR: Legal, Ethical, Philanthropic and Economic. Legal responsibilities ensure a company is following the laws, no matter what country the company has expanded to. These laws can range from environmental laws to labor laws and more. Ethical responsibilities are about doing the right thing, not necessarily following any legality. Being fair to employees or making improvements that are environmentally safe are examples of ethical responsibilities. Philanthropic responsibilities are usually last in line for a company to implement because it is about going above and beyond and making changes that effect society. Donations and charitable causes are philanthropic responsibilities. Finally, economic responsibilities are what come first, above all of the rest because a company must meet its bottom line and make a profit in order for it to then attack the ethical, legal and philanthropic responsibilities. Companies must meet the more basic responsibilities first, and then move up to the next level from there (Scilly, n.d.).

This paper will analyze how Coca-Cola, Nestlé, and Starbucks have incorporated social responsibility into the company’s standards. Firstly, we will provide a brief description of each company. Secondly, we will individually display the different approaches used by these companies in regards to social responsibility, and lastly, we will showcase how this practice have impacted the company’s image.

**Research Questions:**

It’s important to the development of society that we research the question of whether corporate social responsibility is profitable and valuable to a company. This is important because the private sector has more financial resources than government aid programs. Basically, corporate social responsibility encouraged companies to think about the effect of their business
on society, and not just providing for their customers and consumers, their staff, and bankers. Sometimes, bankers have to pay for their mistakes. Companies will try to practice corporate social responsibility when companies face some problems involved with social and environmental issues that are not according with the requirements of law or against the law. Some profitable areas if CSR may include: improving the efficiency of the production process, reducing the use of chemical material to reduce pollution, and develop new substitute resources instead of using natural resources to reduce costs. Based on the social and environmental issues, companies can differentiate products from the other products in the market.

In conclusion, corporate social responsibility can improve profits of companies. Corporate social responsibility can help companies promote their products in the market to get higher sales, gain social impressions, enhance staff loyalty, and attract more professional people to companies. Also, corporate social responsibility activities help companies’ lower costs by improving the efficiency of production process and the sustainability. Furthermore, most of large public companies would want to engage into that corporate social responsibility because it can improve profits and gain a good impression from public. No matter how difficult it may be to define corporate social responsibility, companies would link it to profits.

2. Literature Review

Corporate Social Responsibility (CSR) has become a hot topic nowadays. There is an ongoing debate on what the term really means and what it embraces. The term is interchangeably called as business ethics, corporate citizenship or corporate social performance. In general, this term refers to contributions a company desires to promote in the community, the environment, and to
the society that it operates (Okpara and Idowu, 2013). Some authors relate this concept to the development of community involvement, green technology usage, and the promotion of education from companies to its stakeholders (Lin-Hi and Karsten, 2013).

In recent decades, some scholars have been arguing that profit maximization should not be the only purpose of a company. They state that companies have an obligation to give back to the society (Okpara and Idowu, 2013). For this reason, CSR has been associated to the idea of “doing good,” and it has changed the way many companies may behave internally and externally. It seems like it is a must for every company to show that somehow the company is fighting for a good cause. This idea has promoted many firms to adapt and modify their business models in order to remain in business. This positive attitude towards the society and the environment has enabled companies to create a better connection with their stakeholders and improve the brand image of the company in the market (Lin-Hi and Karsten, 2013).

Another way of approaching this topic is looking at CSR from a different perspective. Instead of just targeting the “doing good” approach, the responsibility of “avoiding the bad,” thus preventing corporate social irresponsibility (CSI) must also be considered, for example, not violating human rights or damaging the environment (Lin-Hi and Karsten, 2013). In most cases, when a company applies CSR successfully, results are shown to benefit a company by leading customer loyalty and bringing a good reputation to the company. A lot of literature points out how stakeholder’s perception on a company may be affected by responsible actions taken in regards to the community or the environment, for instance. Costa and Menichini (2013) states that “…the return on CSR investments is strictly linked to the public recognition of the company’s social responsibility behavior.”
As mentioned above, Okpara and Idowu (2013) further highlights the four dimensions of CSR: economic, legal, ethical, and philanthropic (Okpara and Idowu, 2013). When expanding this theme to international boarders, companies may face other challenges. Some companies may choose to use the same strategy used in the host-country in the targeted country. Others, may decide to follow a different path and adapt. It will mainly depend on the company’s decision to create one global CSR strategy, or individualize accordingly to each country where the company operates. When going intertational, multinational companies must deal with issues related to self-regulations strategies. Muller (2006) states that a global strategy might facilitate the diffusion of CSR standards but it can also lead to the lack of ownership and legitimacy locally, whereas a more focused strategy can provide better results.

Another point of importance brings attention to how different countries may approach CSR standards. If there is a large difference among host- and target- country, it can lead to a high risk of desentralization. In addition, there is a apprehension towards reduction of the CSR standards compared to the home-country’s standards (Muller, 2006). When a company opts for a locally responsive strategy, it may face challenges such as disintegrated and inconsistent CSR strategy, causing future conflicts withing the company, lack of accountability, and standards that are far different from required levels in the host- country (Muller, 2006).

More recently, some companies have been amplifying its CSR models by including it to its operations. Some companies like Visa are using CSR to captivate new markets in developing countries (Knowledge@Wharton, 2012).

One way to measure the company’s performance is to the use “The triple bottom line” or “triple ps” approach, which stands for profit, people, and planet. It is used to measure the economic, social, and environmental actions of companies. By doing this analysis, a company
can understand how well it is progressing in terms of CSR. A positive result can lead to positive stakeholder perception of the company and vice-versa (Costa and Menichini, 2013). In sum, CSR involves the business, economic factors, the environment, and the society in general, always aiming for an overall welfare.

3. Methods

3.1. Nestlé:

Many of us might think of Nestle as in the chocolate bar, when in fact it is the world’s leading nutrition, health and wellness company. The CEO and Chairman state the following in their opening message of the 2013 Nestle in Society full report: “We believe that good nutrition will play an ever more important role in the health and wellness of individuals and society,” (p. 4). They describe Nestle having a focus not only on health, but also water and rural development in countries around the world. The very route of Nestlé’s focus on CSR comes down to a term coined “Creating Shared Value” which is the belief that success for its shareholders long term is creating value for society (Nestle tops global corporate responsibility survey, pg. 1). Creating shared value is not part of the plan to build positive attention and value to the shareholders, but makes up its Corporate Business Principles. For 140 years this culture has developed resulting in the following 10 principles with a firm commitment to them in every country Nestle does business (Nestlé’s Corporate Business Principles, n.d.):

1) Nutrition, Health and Wellness,

2) Quality Assurance and product safety

3) Consumer Communication
4) Human rights in their business activities  
5) Leadership and personal responsibility  
6) Safety and health at work  
7) Supplier and customer relations  
8) Agriculture and rural development  
9) Environmental sustainability  
10) Water  

As the image below illustrates, Creating Shared Value is at the top of Nestlé’s pyramid. The very bottom of the pyramid is Nestle’s commitment to following the laws, business principles and codes of conduct in every country they do business. However this is just the beginning of its commitment to CSR and assumed by Nestle that compliance is at the foundation. Then a commitment to sustainability follows and finally of course Creating Shared Value.

Nestle SA is a Switzerland-based company with the development and production of food and beverage. Henri Nestle founded Nestle in 1866 beginning with infant cereal “Farine Lactee” which was a success. The company expanded during World War I and II past infant cereals and condensed milk. Nestle was fortunate to form government contracts during the wars and
Nescafe became a popular product and staple amongst the US Military. The 1920’s brought a focus to chocolate manufacturing and by the end of WWII, Nestle acquired many companies. Now Nestlé’s products range from baby food to frozen food to pet foods to coffee and tea. Several of these companies that Nestle acquired were: Gerber, Ovaltine, Jenny Craig, and San Pellegrino. To date there are 447 factories operating in 194 countries with 333,000 people employed. Nestlé’s sales are 1 billion Swiss francs annually. Although there have been a number of scandals and much bad press and controversy over the years, Nestlé’s has made great strides making their Creating Shared Value concept the focus (Nestle, n.d.).

According to Nestle’s CEO, Peter Brabeck-Letmathe, in his interview with Mark Kramer, he believes that Nestle’s CSR is “not something that is imposed from the outside, but is an inherent part of the Nestle business strategy and Nestle Business Principles, which guide the way Nestle operates” (p. 2). Brabeck-Letmathe describes Nestle’s ability to meet the local needs and opportunities of a community with their own business initiatives. One example, as mentioned above with the growth of Nescafe, Nestle was able to see that Brazil had a surplus of coffee in the 1930’s and turned it into a win-win situation for both the farmers of Brazil (keeping them from bankruptcy) and a profit for Nestle by creating a sustainable coffee initiative that has served Nestle well (Nescafe and Nespresso) (The Nestle Concept of Corporate Social Responsibility, n.d.).

An example of Nestlé’s commitment to Creating Shared Value is the Nestle Cocoa Plan. The plan revolves around transforming the supply chain which consists of the following:
The process is complicated especially because the farmers represent thousands of farms all over the world, many are in rural, poor regions. Because of this, the lack of infrastructure effects both the quantity and quality of the cocoa. Nestle chooses to try and protect these farms and the farmers and their families by investing in plant research, training farmers, improving the social conditions and the Fairtrade and UTZ labels. The goal with the plant research is to develop a higher quality seedling which can produce more cocoa. This will ultimately allow farmers to produce more cocoa and have a higher income. The investment in training the farmers focuses on improving techniques and educating the farmers on child labor. Improving social conditions gives back to the farmers and their families alike by repairing schools, ultimately reducing child labor. Fairtrade and UTZ labels allows farmers to be paid a premium price for their cocoa beans.

One region where there is a concern for Nestle and the farming of the cocoa is the Ivory Coast where a large portion of the cocoa is produced. The issues are the average age of the farmers is 55 years old and many young people are leaving for the cities where they can make a good standard of living. Nestle hopes by implementing The Cocoa Plan they can raise the standard of living and attract young farmers to stay and raise profitable farms with knowledge and respect for the environment and a good education for their children. (Creating Shared Value in the Supply Chain, n.d.).

Again the core focus for Nestle per the 2012 Sustainability Report are: Nutrition, Water and Rural Development. Nestlé’s main focus is on nutrition--“providing nutritious products that deliver real health benefits to our consumer and by making our products more affordable and accessible through innovation and partnerships” (Godelnik, p. 1). Secondly, the focus is on water in order to “advocate for the protection of scarce water resources and by using water more
efficiently in our manufacturing and distribution processes in ways that also benefit others in our supply chain” (Godelnik, p. 1). And finally, rural development because rural communities is where Nestle can access their raw materials and thus dedicating funds to these communities allows for the quality finished product because of quality input (Godelnik). The article by Godelnik (2013) describes the significant improvements Nestle had made in the area of nutrition in particular malnutrition and obesity through research and development. Each year the percentage of Nestle products that met or exceeded the Nestle Nutritional Foundation criteria has increased and in 2012 was over 75%. Products are renovated to improve their nutrition and also many products have had a reduction in sodium, sugars, trans-fatty acids, total fat or artificial coloring.

So does all of this focus on Creating Shared Value equal increased sales? Many of Nestlé’s Popularly Positioned Products (PPPs) that provide nutritional value have increased from $11.44 million in 2011 to $12.90 million in 2012. Therefore it appears there is a correlations between the two, however, more research must be done to figure out how to measure and compare and contrast to continue to make progress for the future!
3.2. Starbucks:

Starbucks Corporation (NASDAQ: SBUX) is an American specialty coffee company in the restaurant industry involved in the manufacturing of coffee; in other words, Starbucks roasts and sells coffee, tea and other products in this same category (CNN Money: Starbucks corp, 2014). The company was founded in 1971 in Seattle, Washington where it started with one tiny single store and today the company holds approximately 20,000 stores in over 60 countries spread among the Americas, Europe, Middle East and Africa (EMEA), China/Asian pacific (CAP), and it currently employs approximately 200,000 partners (employees) (About us, 2014). The company differentiates itself by offering high quality fresh-roasted whole beans from different parts of the globe. In addition to the coffee business, Starbucks has diversified by also
providing fine pastries, fresh food, mugs and accessories. Coffee and tea-brewing equipment, music from different artists, and gifts carrying the company’s logo such as a wide variety of coffee cups and mugs for all tastes (About us, 2014). In addition, Starbucks prides itself on being a responsible company. The company went public in 1992 and at this same period it began implementing its global strategy (Austin and Reavis, 2004). In 2008, Starbucks started to put into practice a more detailed Corporate Social Responsibility goals that have impacted the way it approached this issue and positively transformed the company’s values and its business model (About us, 2014).

Starbucks’ main goal is equal to any other company in the globe – make profit. However, for this company, the generation of profit must be aligned with CSR. This means that, in order to achieve this goal, the company has chosen to follow certain guidelines/practices: 1) be ethical, 2) environmentally conscious, and 3) community oriented (About us, 2014). Since 1991 the company has demonstrated participation into CSR practices. For instance, $1.8 million was donated to the international relief and development nonprofit CARE (Austin and Reavis, 2004). As a result, the company was recognized in 2014 as one of the world’s most ethical companies (Adams, 2014). This way the company has found its path to balance profit generation and show its concern with its stakeholders in a meaningful way by providing economic, social and environmental standards that must be followed in Starbucks’ supply chain (Austin & Reavis, 2004).

Corporate Social Responsibility at Starbucks (Starbucks Global Responsibility Report, 2013):
1) Ethical – Ethics is present in several areas at Starbucks. However, this paper will focus on how ethical the company is in regards to corporate social responsibility. The company prides itself for providing high quality coffee, but with that comes the responsibility to know and follow conscientious purchasing practices, incentives to farmers such as loans as well as forest conservation programs. Starbucks’ goal is to provide a better support to the farmers Starbucks trades with as well as the environment. The first Farmer Support Center was opened in Costa Rica in 2004 and it implemented the Coffee and Farmer Equity Practices (C.A.F.E.). Today the same program serves as base for other coffee-growing communities located in China, Ethiopia, and Rwanda, for example. This program has also been incorporated into other company’s standards in the same industry. Starbucks also works together with environmental nonprofit Conservation International (CI), measuring the real efficacy of such ethical sourcing initiatives on farmers and producers. The goal here is to foster coffee-growing practices, supporting the environment and encouraging the production of quality coffee.
Starbucks also follows a pricing model that was created to assure price stability and equally advantageous relationship with suppliers. In 2013, the average price paid by the company was $1.92 per pound of coffee. This same concept is used in the tea production; Starbucks has been working since 2005 in the project called Ethical Tea Partnership (ETP), making sure that other areas of its business follow the same standards.

2) Environmentally Conscious – In addition to forest conservations program, Starbucks is involved in other environmental proactive practices that aim to reduce the company’s environmental footprint through energy and water conservation, green construction, and recycling. The company has reduced more than 21% in water use based on average baseline levels, and it aims to achieve 25% by 2015. Starbucks also intends to promote the recycling of its cups and food packaging to the highest level. In 2012, the company introduced the EarthSleeve in the U.S. and Canada. This initiative requires fewer raw materials in its fabrication, leading to savings of approximately 100,000 trees a year. Now the next step is to spread the program to other countries. However Starbucks tries to implement these great initiatives in every store, some challenges are still faced. For example, in regards to the recycling process, some countries do not have the same level of readiness to follow up with the standards of the U.S., so even though the company gives its best to become more and more environmentally friendly, it is not always possible to achieve its goals due to differences in local government policies and infrastructure in other countries. In addition, the company has been magnifying its green building program by implementing LEED-certified stores in 18 out of 60 countries where it operates, in addition to other green strategies to new stores. Starbucks has been investing in renewable energy through its purchasing practices. In 2011 the company set the goal to purchase 100% of electricity used in U.S. and Canada Stores through the Green-E certified Renewable Energy Certificates (RECs).
by 2015. This initiative encourages the growth of green energy sources. With this, the company has been placed among the top 10 biggest purchasers of renewable energy by the United States Environmental Protection Agency.

3) Community Oriented – Starbucks is actively engaged in each community that it belongs to. One of the company’s goals is to provide one million volunteer hours every year to the communities connected to Starbucks. Also, Starbucks has developed Youth Leadership initiatives and donated an initial $1 million for the elaboration of LeadersUp, a nonprofit organization that aims to provide job and leadership skills training to the youth. The program involves training in the following areas: Business Savvy, Social conscience, and collaborative communication. This work is proposed and adapted accordingly to each region and countries involved (About us, 2014).

According to the Starbucks Global Responsibility Report (2013), the company’s customers and its employees provided more than 630,000 hours of community service, in 2013. Starbucks was able to assist approximately 50,000 young people in 16 countries via its youth leadership grants. Furthermore, Starbucks plans to branch out its efforts to hiring 10,000 veterans and military spouses in the United States and opening five other community stores near military neighborhoods aiming to create non-profit programs that will aid veterans re-entering the workforce.

The company’s approach to enhance the effectiveness of its CSR practices follows this cycle:
Aspire - Starbucks begins by setting up goals.

Partners- then to put it into practice, finds people who can help bring it into reality.

This includes its partners (employees) and customers.

Innovate – creates and promotes innovative solutions.

Learn – utilizes the knowledge acquired to create future goals.

3.3. Coca Cola

The major clients of Coca Cola Company are fast food restaurants, food store, high-class restaurants, vending machine, and convenience stores. Most clients of Coca Cola, like food stores are somewhat cooperated with several chain stores or local supermarkets, because they can offer a big space to get lower prices. Most clients like vending machine because they have no special price for customers because they sell to customers directly. The price is the most expensive to get a coke by purchasing from vending machine. Convenience stores have more limited space so the price is higher to get a coke than food stores. Most clients like Costco offer the lowest price for customer because they can purchase a large amount of cokes with their big space to store, but it’s the least profitable for Coca Cola Company. It’s important for coca cola Company to add CSR into business, such as recycling, and packaging.
Sustainable Packaging and Recycling

Strategy:

Packaging: The goal of the company is to set the standard in low-carbon, sustainable packaging. The company tends to re-estimate their packaging and make better use of natural resources to reduce carbon by using reusable and renewable materials to make sure their packaging are recyclable.

Recycling: By 2020, the company plans to recycle more packaging than the company uses. Their focus is on supporting the recycling of packaging when the consumer has finished consuming it. To do this they are encouraging customers to recycle more often, supporting and making improvements to national collection and sorting plans and investing in recycling and collecting infrastructure (coca cola CSR report, 2013).

Consumer behavior and disposal:

The company uses their strong brand image of marketing to encourage people to recycle. The company focused this recycling effort in Great Britain and France which recycled less than 55% of PET bottles. They do this through initiatives such as programs with Costco, food stores, vending machine, local supermarkets and their festivals and their special events campaigns.

Collecting and Sorting:

The company is investing in new technology to develop recovery infrastructure and increase recovery rates. The company wants to work with policymakers, managers, and regulators to improve the recycling program in school and in households. They plan to educate people to understand how easy it is to recycle. The company sets a higher recycling target for the industry and the company does their part to achieve it!

Recycle and Replenish:
Also, the company has already recycled 100% of the waste water from the manufacturing factory to nature. The company has set a target to replenish water which is used in drinks for areas of water stress by investing in water programs for local communities to make sure their business does not create problems for local communities.

**Protect and Reduce:**

The company works hard to maintain the long-term quality of water sources and lower impact on local communities and ecosystems to a minimum. Since 2009, they have undertaken Source Water Vulnerability Assessments at each plant to assess the potential water risks to the business, the local community and the ecosystem, and have now developed Source Water Protection Plans for each production site. Coca Cola wants to be the industry leader in water efficiency. In the last five years, their production has increased by around 12%, yet water usage has fallen 5%. They are now challenging themselves to use an average of 1.2 liters of water by 2020. Longer term, getting closer to 1:1 will require further innovation and new technologies (Coca Cola CSR report, 2013).

**Health Care**

Health care is the biggest problem for customers and this might affect the sales of Coca Cola. Some customers prefer natural drinks such as tea, juices, and water. Large amount of substitute drinks are available for the customers, but Coca Cola Company still can make growth in the market by concentrating on big advertising, bottle design, and brand equality which make their product easily strongly branded on customers’ memory. The advertising spend of coca cola in 2012 was 3342 million dollars, versus Apple which was only 1000 million dollars compared to Coca Cola in 2012. Advertising is always a major weapon for the company to thrive in the market. Coke and Pepsi have a long history of strong advertising and it help the company earn
excellent quality of brand image and loyal customers in the world. The potential threats for the company are the following:

1. High cost of ingredients like sugar, and metals used to produce cans.
2. Health care issue for the customers.
3. Multiple lawsuits against that diet coke for burning calories in advertising.

It’s very important for Coca Cola Company to put CSR into health issue to lower impact of these problems.

**Strategy**

The company is encouraging people to support local community to live healthy by using their strong brand image to sponsor activities and special events. They help people to join programs that encourage living healthy. Furthermore, they work with community partners to emphasize the importance of nutritious, healthy diets, and healthy lifestyle.

**Nutritional Education:**

Along with encouraging physical activity, they tend to form partnerships with relevant community bodies to promote the importance of good nutrition and active healthy living (Coca Cola CSR report, 2013).

**Encouraging Physical Activity:**

The company is encouraging people to live healthy by working out, doing sport, and fitness class and emphasizing the importance of nutritious, healthy diets, and healthy lifestyle. They will continue to support healthy programs that encourage local people doing some physical activities through community. They are also offering the education about healthy lifestyle, gyms, discounted gym memberships for their employees.

**Investing in Charitable and Community Causes:**
In 2011, the company invested $5.7 million, around 0.6% of pre-tax profit to support a range of community initiatives across our territories, focusing on business education, disadvantaged communities, diversity, active healthy living and recycling (Coca Cola CSR report, 2013).

**Ingredients and Healthy Issue:**

The company provides accurate information of production ingredients through their websites and packaging that is easier for customers to understand. The company has a responsibility to explain to customers about health issues. In addition, the company is dedicated to provide useful information on healthy living and the promotion of understanding the public health issues. The company also displays calorie information in front of their products to help customers choose the best option for them. The company attaches importance to the product safety and quality standards for customers evolving needs and health. They test their beverages in modern laboratories in every step of production to measure quality of ingredients and samples collected from the marketplace. The company abides by the requirement of the law and regulations including safety, health, and product labeling in every country.

4. Results and Findings:

**Common Factors:**

The analysis made among these three companies has highlighted how each company approaches and incorporates Corporate Social Responsibilities into their business strategies. It is clear that Nestlé, Starbucks, and Coca-Cola recognize the importance of CSR practices by the level of effort each company has put in to the implementation and further expansion of such
practices. Even though these distinctive companies are not part of the same industry, they still share some common CSR goals.

Nestlé and Starbucks share similarities in their CSR program in several areas. Both companies are committed to promote fair trade practices in their supply chain and have decided to be proactive by protecting and supporting their farmers. Nestlé does it by investing in plant research, providing training to their farmers, and by improving their social conditions. Starbucks ensures conscientious purchasing practices, provides loans and aids several conservation programs. In addition, these two companies follow guidelines for pricing models where they assure price stability, guaranteeing that premium price is paid to their farmers.

Starbucks and Coca-Cola invest a great deal in the area of Recycling and Packaging. Both companies are promoting comprehensive recycling solutions in order to reduce environmental footprint. Among others, this includes: Starbucks’s front-of-store recycling initiative (already implemented in all stores in the US and Canada, and with a planned expansion to their international operations) and Coca-Cola’s initiative to encourage customers to recycle its packaging bottles after used. The company is also investing in new technology to develop recovery infrastructure and increase recovery rates. Both companies are committed to recyclable leads in both material and practice.

Nestlé and Coca-Cola also focus on nutritional education. Coca-Cola makes use of its strong brand image to sponsor sport activities and other special events, encouraging physical activities and emphasizing the importance of good nutrition and healthy living standards. Nestlé’s goal expands on offering nutritious products and health benefits to their customers. The company has shown significantly improvements in the areas of malnutrition and obesity research.
One area of concern for all three companies is water usage and conservation. Nestlé, Coca-Cola, and Starbucks are committed in their own ways to conserve water usage since it is an essential ingredient in their facilities and operations.

Differences:

First of all, all of these three companies have different concepts and strategies to practice CSR, however they all are making great efforts in CSR with a great deal of time and resources because they understand the importance of taking social responsibility. It is important for us to compare and study all the different CSR strategies and plans between these three companies in order to determine if there are certain fields that work better for corporate social responsibility.

All of Nestle, Starbucks, and Coca cola companies have well developed nutrition management and production of beverages, but they still have different strategies to practice social responsibility for people. Nestle company is more focused on human rights in their business activities which include educating the farmers on child labors, repairing schools, and special price for their cocoa beans to build human rights in their business; Coca cola and Starbucks are more focused on community engagement and health programs which include social conscience, skills training, business education, and health living. Starbucks and Nestle invest in farmer programs, training their own farmers, and plant research to get high quality of ingredients, but Coca cola attains to good quality of ingredients from the marketplace.

Furthermore, all of Starbucks, Nestle, and coca cola are also focused on maintenance of environmental source, but they have different ways to do it. Starbucks is building a program by implementing LEED-certified stores; Coca cola develops Source Water Protection Plans for each production site; Nestle is focusing on using water more efficiently in their manufacturing and
distribution process in their supply chain. Each company has their own plan and strategy to achieve different goals to reduce costs and to build reputation.

5. Discussions and Conclusions

Is there just one way to successfully implement CSR in international business? Or is it more important that each company determine what works best in terms of matching the CSR deliverables with the business plan and values of the company? We would argue the latter to be true as the evidence has shown each company (Coca Cola, Nestle and Starbucks) had each had success with their own individual strategies. If we compare these three companies according to Forbes.com and the full CSR report rankings, we can compare where these three companies stand. According to the listing, the top CSR listing of these three is Nestle, on top with 10th place, then Coca Cola in 27th place, and Starbucks falls to the lowest, in 82nd place. Certainly Nestle has been at this CSR the longest and also has such a diversified product line that there are more ways to provide CSR. In addition, Nestle has been made CSR, or Creating Shared Value part of the business values and plan. Their initiatives are intertwined with the business plan and therefore it has more meaning and value to the company, the shareholders, the farmers, suppliers and the customers.

CSR has become a necessity for these countries especially because of the international part of the business. With the media’s support and ability to publicize in short amounts of time the value of a particular CSR event or dedication to social responsibility all the way across the globe, we can still easily find out what these valuable changes and support mean to the company. The transparency has allowed customers anywhere in the globe to be informed and
knowledgeable in a timely manner. So, instead of Nestle being known just for chocolate, Starbucks just being known for cool coffee drinking locals and Coca Cola having and amazingly tasty well known product, we as consumers know them for a whole lot more—what the company values, that the company is willing to give back even without a huge return fiscally, and that they are taking responsibility with dedication all over the world.

References:


