

CSR and city branding – what good can a city do?

Purpose – The traditional, fundamental aim of business is to pursue profits in order to ensure the company's survival and growth (Kim, Kwak & Koo, 2010; Friedman, 1970). However, in accordance with the saying "*Doing good can do good for your business*" companies integrate also social concerns into their strategic management, taking responsibility of improving living conditions in their community. Accordingly, businesses are asked to address their broader responsibilities towards society and to serve a wider range of human values. This is where CSR (corporate social responsibility) steps forward. According to its principles, companies should follow – in addition to economic responsibilities – social, legal, ethical, and discretionary principles: they are expected to fulfill what stakeholders consider right, and they are expected to act as good corporate citizens in order to improve the quality of life for the society as a whole. The principle of reinforcing the collective well-being matches well also with the aim of communities, herein cities: to promote socio-economic development in the region. Today, as Europe is facing the immense migration of peoples, the topic is more relevant than ever.

A city is a multifaceted network of individuals, officials, businesses, nonprofit and profit organizations. It is a place of residence and a place of work and study, a destination for tourists, a potential investment opportunity for investors, a location for businesses. According to Senge, Smith, Kruschwitz, Laur and Schley (2008), to an increasing amount people make decisions about where to live and work, and how and where to invest based on how organizations are responding to the challenges of environmental and social well-being. With this change, organizations are under heavy scrutiny regarding their environmental and social behavior. Akin to nations and regions, also cities have become aware of the importance of building a convincing reputation to engage these stakeholders (see Lucarelli & Berg, 2011). CSR offers an approach to do this: to attain economic, social and environmental benefits that can be embedded into a city's branding strategy and practices in a credible and sustainable way.

Besides, CSR can involve multiple stakeholders of the city and engage them into actions for its sustainable betterment. Adapting the above-mentioned saying to the city context we can state: *“Doing good can do good for the society.”* In the UK, CSR initiatives have been taken specifically in order to tackle the challenges of multi-ethnicity in cities and to enhance the cities’ reputation (Trueman, Cornelius, Baig & Liddle, 2010).

In spite of the growing recognition of the importance of the socially responsible code of conduct, research on the relationship between CSR and city branding is still scarce, and this study aims fulfilling this gap on its part. Having said that, the purpose of this paper is to discuss the interconnection between CSR and city branding. The following research questions are addressed, each of which contributes to the overall aim:

- 1) What constitutes the social responsibility of a city?
- 2) Who are the key stakeholders and how should they be engaged in CSR work?
- 3) Could CSR be a source of competitive advantage in branding a city?
- 4) How should city leaders manage the socially responsible image of their city?

Methodology/approach – To answer to the purpose of the study, a qualitative action-research method was adopted (Shani & Pasmore, 2010), and the city of Turku, Finland, used as a case study. Turku is located on the southwest coast of Finland and has a population of 185 000 people (October 2015), making it the 6th largest city in the country. The city's economy is centred on the Port of Turku and other service-oriented industries. Turku is also a renowned high-tech centre from the fields of biotechnology and information technology, as well as several institutions of higher learning that work in closely with the business sector. Parallel with the commencement of this study the city introduced its strategic plan, Strategy 2029, which justifies the choice of the topic and methodology. In addition to direct practical implications, the study reveals theoretical contributions in an area yet scarcely examined to date.

Action research is a participatory inquiry process, concerned with bringing about change in organizations. (Shani & Pasmore, 2010) In action research, the researcher is an active intervenor, making and helping things happen and change. Herein, an important qualitative element is how people participate in the choice of research focus, and how they engage in the process to co-generate knowledge. There should be an authentic, reliable relationship between the action researcher and the research subjects. Much of qualitative research is focused on the past whereas action research builds on the past, takes place in the present, and has a view of shaping the future. (Coghlan & Brannick, 2014)

There is an essential link between theory and practice that underpins action research. The method aims at solving a practical problem, supplemented with contributing theory to the body of knowledge. The aim of the process is to develop holistic understanding, and the data can be gathered by different methods. Herein, qualitative tools, i.e. theme interviews among the managers responsible for the branding, communication, leisure field, and sustainability issues are adopted. Data is also gathered via workshop participation and documentary material of the city.

Findings – Herein, the strategic marketing document known as “Turku 2029” was the ground for the actions to be taken during the next 15 years. A strategy that incorporates the wider community is more likely to gain approval and be sustainable over time (Trueman, Klemm & Giroud, 2004). The relation between a city and the various stakeholders is two-way: first, a city can encourage and guide its different stakeholders to sustainability issues via efficient communication and via its own example. On the other hand, after internalizing the CSR values the stakeholders can make their plans how to participate and contribute. The essential test guiding CSR is whether a cause presents an opportunity to create shared value, i.e. whether the actions benefit both sides. Eventually, as Nanus (1992) points out, the responsibility for shaping the vision lies with the leader. The vision should then provide the members of the organization

and its stakeholders with an inspiring, clear picture of the future, engage them, as well as motivate them to work towards it (Almog-Bareket, 2012). The following stakeholder groups are of utmost importance in regard to CSR and its implementation as a city brand strategy: city leaders, employees, residents, businesses, investors, volunteers, tourists, students/schools, sport clubs/associations, politicians, and media.

As the study is still work in progress, the findings will be presented at the conference.

Theoretical implications – Despite the growing recognition of the importance of CSR in business in general, research on CSR and city branding is in an emergent state. This study aims at fulfilling this gap. The insights advance our theoretical understanding of CSR in a novel context, i.e. place/city branding.

Practical implications – Like companies, cities should use their momentum to accelerate societal and environmental change (West, Ford & Ibrahim, 2015). The eventual findings will provide an opportunity to contemplate the potential of CSR as a competitive advantage of a city.

Place branding should be seen as a strategic process that requires long-term involvement and commitment. The successful implementation of the brand strategy requires the long-term advocacy and support of local individuals and organizations. (Morgan et al, 2003; Kavaratzis, 2009; Baker, 2012) The interactions with the stakeholders should be brand-driven, e.g. the chosen branding focus should be sensed in the various incidences. Furthermore, it is important to make the personnel understand what their role in the organization is and make them feel proud of working for the city/organization.

Limitations –This is a single-case study which may mitigate its value. The fact that the study is conducted in one particular country may cause some cultural bias. Furthermore, looking at

the phenomenon from the city-management perspective could be considered as a limitation. However, all these limitations can be remedied in future studies.

Originality/value – This study advances knowledge on implementing CSR in city branding, an area scarcely investigated thus far.

Keywords – CSR; city branding; action research

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