

# THE CORPORATION BRAND AND THE SOCIAL RESPONSIBILITY

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## Abstract

*The new paradigm of the connective branding implies a business ethics, which includes the involvement of companies in the life of the community where they develop their activities. The corporatist social responsibility represents a strategy of communication with the community that aims to replace the image of business only for profit with the one of business for the development of the community. One of the companies that has activities in Romania and has integrated the Corporatist Social Responsibility within its long-time objectives is PETROM S.A. In the text below I will analyze the reasons why the company uses this strategy of social responsibility, its accomplished projects, as well as the effects upon the beneficiary companies.*

**Keywords: corporation brand, social responsibility, communication strategy, connective branding**

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## **Introduction**

The 21<sup>st</sup> century has brought new changes in the brand area, determined by the increased competition and the development of markets; the demands have become bigger and bigger so that there is an increased need to differentiate between the brands. The public has become more aware of the values cultivated by the brands and it penalizes any sideslip. The expansion of the internet has facilitated the rapid transmission of information, both positive and negative, and has given the supporters of certain brands the opportunity to interact among themselves and exchange opinions. Before, the most important influence came from the leaders of opinion who used to set the tone for their own group; nowadays, the many blogs, forum pages, lists of discussions, and recently the social networks have created a wide variety of leaders of opinion. Online communication connects individuals regardless of their social position or of their role in society, regardless of the geographical distance that separates them.

Therefore, an increased number of companies are adopting a new strategy of adaptation to the demands of a society fascinated with communication – the corporate social responsibility (RSC) which includes activities from many areas, from ethics to environment protection..<sup>2</sup>

Romanian economy still has a handicap compared to the Western economy: the transition from a centralized economy to the open market economy has been done with huge costs - many enterprises were closed, people lost their jobs, the new firms that appeared were only aimed at making a profit without applying an ethics within their functional and organizational structure. Many of the well known labels have disappeared, and the new ones didn't succeed in imposing their presence. The step from a label to a brand hasn't been taken yet by most of the Romanian brands, and publicity reflects this fact. The Romanian brands do not have clear values associated with them that they could transmit to the target audience; the main tendency still stresses upon creating a favorable image by communicating through publicity. Many times, the values that advertising cultivates are anchored in the mentality of the „golden era”.

This study intends to analyze the way in which the brand policy is formed within an important Romanian company, Petrom. This company has adhered to the new branding paradigm, that of connective branding. I will analyze the way in which the company is involved in the Romanian social life by cultivating its own brand values and to what extent it can become a model for the other firms, but also for the consumers.

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<sup>2</sup> Fisher-Buttinger, C., Vallaster, C., (2011), Noul branding. Cum să construiești capitalul unei mărci, Editura Polirom, Iași.

## **Chapter. I The new branding paradigm**

The classic theory considers the brand a promise made by the producing firm to the consumers and the emphasis is on creating the image. Communication is unidirectional from the producer to the consumer, with the possibility of feed-back only through sociological surveys or complaints from the customers. However, the internet has made possible the bidirectional communication and we can even speak of a multidirectional communication through the interactions that are established between the public supporters of the respective brand. The consumers can communicate with the manufacturer, but also with other consumers or possible clients, and their opinions have a greater influence than that of the advertising messages. The internet has erased the distance between those who communicate, so that the negative information can reach different places on the globe in a short time, making the work of PR specialists difficult.

The dynamics of the business environment has determined the transition from the brand as a totality of associations that the consumer makes regarding a product<sup>3</sup> to the brand as a sum of the relations between all those who are interested in the product or the firm. The connective brand paradigm changes the way of defining the target audience. The receivers on which we focus are becoming more and more numerous and from different regions, together with the consumers, including the staff, the partners, the media, the analysts, the investors, the ONG-s, the sales networks, the producers etc. (Fisher-Buttinger, C., Vallaster, C., 2011). The staff is becoming the main support in adopting the values that the brand includes. The connective branding shifts the perspective towards the parameters on which the brand relies.

### **I.1. The design of the connective branding**

Traditionally, the firms were interested in the image that they built for the outside world, using publicity in a manipulative way; the organization in itself represents a system that is closed to the public; the products are the link to the exterior and they answer to the needs of the clients. Communication with the exterior is limited and unidirectional.

The connective branding comes up with a major change in the communication paradigm: the monologue is replaced by the dialogue; the company is an open system that communicates the values of the brand to the exterior. This implies that the set of values the brand relies upon must be known by all the employees of the firm, and more than that, they must assume it and live it. There is a transition from the attention focused on the product, to attention focused on the company, which implies communication with a larger, more numerous and heterogeneous public. While in the case of product branding, communication was centered on the consumers, in the case of company branding, there is, besides the consumers, a much wider audience: the shareholders, the contractors, the banks, the mass media, the ONG-s, and last but not least, the employees. Communication with each of these audiences was done separately by specialized departments (the department of finance-accountancy, the department of communication and public relations, the department of production etc.); however, nowadays the internet reaches a much larger public and provides information specific to a certain domain of activity, for example, the annual reports used to be communicated to the shareholders, or to the creditors, to the banks, but they were not

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<sup>3</sup> Schmitt, B., (2003), *Customer Experience Management*, Editura John Wiley & Sons Ltd., New Jersey.

accessible to any client, as it happens nowadays when anyone can get information from the company's website.

The central values of the brand represent the best binding element for cultivating relations with all types of audiences, by the influence that they have on the behavior of everyone involved, employees, the management team, the target audience, and so a foundation is created for winning their trust. The core of the values on which the corporation branding relies must be homogeneous and it must represent the source that generates the decisions and the actions of the organization. The messages that the company communicates to the exterior have as resource these central values that create the story of the brand, that is why they must be attractive to the public and they must emphasize the difference from the competitors. Using the values as a vector of the brand strategy makes the company more credible. The entire company, management and employees, must assume these values and transmit them to the exterior through the interactions on all levels, establishing relationships of trust with the interested public, and this is a part included in the organizational culture of the company.

My intention is to analyze the way in which communication is achieved between the company and the exterior, in order to transmit the values of the brand to the public.

## **Chapter II. Analysis of the way in which the company Petrom assumes the corporatist social responsibility**

The company PETROM S.A. is a member of the OMV Group and it presents itself as the biggest producer of oil and gas from South-Eastern Europe that has activities in the departments: Exploration and Production, Distillation-Refinement, Marketing, Natural Gas and Energy. In 2004 the former Romanian oil company went in privatization process, 51% of the shares were bought by OMV Austria. At the same time with the privatization process, a modernization process has begun, and it is still running, according to the Petrom's strategy of development.

The company website is well structured and it provides a large range of information for the interested public, using open communication. The way in which information is structured on the website emphasizes the branding design they use, which is characterized by the synchronization of every integral part, all the messages transmitted to the diverse types of audience are centered on the basic values. We can speak of applying the paradigm of the connective branding which is considered as a sum of all the relations that are established between the interested audiences.<sup>4</sup> The message about the vision of the company communicates to all the Romanians the strategic objective of PETROM: that of becoming a leader in the domain of energy in the South-East of Europe, offering them a reason for national pride after having witnessed a series of disastrous privatizations that ended in closing down most of the Romanian enterprises. More than that, we find out that our welfare is linked to the development of the company whose profit contributes to the economic growth of Romania.

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<sup>4</sup> Fisher-Buttinger, C., Vallaster, C., (2011), Noul branding. Cum să construiești capitalul unei mărci, Editura Polirom, Iași, pg. 14.

## **Mission and vision**

### **Our vision**

We committed ourselves to consolidating our position as leading oil and gas company in South-Eastern Europe, leveraging on our role as the OMV Group operational hub for marketing in South-Eastern Europe and for exploration and production in Romania and the Caspian region.

### **Our Mission**

We discover, produce and process oil & gas and distribute fuels and other oil products in order to provide Romania and neighboring regions with energy and mobility. The sustainable and profitable growth of our company is of benefit to our shareholders, customers, employees and the Romanian economy in general and is therefore at the focus of all our activities.

The brand is developed around three essential values that the entire organization transmits to the exterior through the interactions on diverse levels, and from this puzzle the image of the brand is created.

### **Our Values**

We are guided in our daily work by values that we believe in. The three essential values, which form part of the foundation of our business, are:

#### **Professionalism**

Professional excellence ensures lasting success.

#### **We learn, we perform, we succeed.**

Continuous learning, high performance and personal commitment are the sources for our professional excellence.

We strive to achieve excellence in expertise, processes and leadership. We concentrate on our goals and find synergies to ensure we are amongst the front-runners in the market. Our aim is to foster professional development to generate long-term profitability.

#### **Pioneering**

Spirit of change for continuous development.

#### **We explore, we move, we grow.**

Pro-active mobility and openness to change are the basis of our strength. We explore development potential and take courageous decisions to create business opportunities in our selected markets through new ideas, successful technologies and profitable growth. Our focus is the combination of economic success with the best energy solutions for today and tomorrow.

The social partnerships established by the company PETROM emphasize the use of the new strategy of social involvement named Corporatist Social Responsibility (RSC). From the report of involvement in society in 2011 displayed on the website the company team of communicators specifies that during the last five years PETROM has been actively involved in *transforming the ideas into actions for a real and lasting change of Romanian society*. The target domains were the ones considered strategic for the development of communities – health, environment and education. In the domain of education in 2008 PETROM supported the project „Andrei’s School” that ran for three consecutive years. This project consisted in a contest on eco-civic subjects, involving the pupils from I-VIII grades, together with teachers from Romanian secondary schools. Teams of 20-30 pupils coordinated by their teacher had the task of identifying the problems that their community is confronted with, and they had to find solutions; later, these solutions would be evaluated by a jury and elected by public vote. The prizes consisted in grants of 5000 Euro that would be used for the implementation of the project. The members of the winning team would spend a week in the camp of Andrei’s

Country where they could learn how to get involved in the life of the community where they live. Statistically, most of the projects have viewed the lack of green space, on second place came the projects of restoration and modernization of schools, and on the third place there was the promotion of cultural and folk traditions, followed by personal development through courses and workshops. From the point of view of the values that are found in this project of educating the youth for the involvement in the life of the community we can start from the value assumed by the company: **pioneering** – the spirit of change for continuous development. **We explore, we keep moving, we grow.** Exploration has started from the PETROM team who has probably noticed the absence of involvement in the life of the community and of its members. The phenomenon is generalized at the level of the entire Romania and it is one of the causes of our stagnation. They have explored the present situation and have considered that the best solution would be for the young to acquire awareness regarding the needs of their community, stimulating the skill for finding solutions. This set in motion of the social mechanism of involvement in the life of the community

Between July 24th and August 7th, Petrom awarded spots to "Andrei's Country Summer Camp" to a number of students who won the Andrei's School Contest. Over a period of one week, 4 groups of 100 students each were shown how to become responsible citizens and how to keep helping make the world a better place. The children were joined by the 15 teachers who coordinated the winner projects, as well as by 60 volunteers.

Every day, the kids got to make experiments which blended science and fun: through games and with help from "the nutty professor team", they got to understand natural phenomena (how dry ice is formed, how to build a volcano, why underground water is important); they took part in various open air and sports activities (zip line, bow shooting) or went mountain-hiking. All these, during the four days dedicated to the four primordial natural elements: air, fire, water and earth.

After they got familiar with the four natural spirits, the children and teachers took part in a one-day training course on the following topics: "Project Management", "Communication", "Motivation", and "Fundraising". This way, they will be able to successfully implement the projects that won them the "Andrei's School" Contest. At the end of their stay, they became Honorable Citizens of "Andrei's Country".

determines the overcoming of the stage of victimization, which separates the individuals, and a transition towards associations, partnerships, in order to solve the problems; here we can mention the other value of the company brand: **partnership**. Since it is much harder to change the behavior of adults, they have oriented their efforts towards involving the children, who are more flexible and curious, and who are the future resource of society. Children grow and along the years their skills grow too, their attitudes are cultivated – the respect towards the environment, the relationships of collaboration for the common welfare. The values promoted by the PETROM brand are found in the project „Andrei's School”.<sup>5</sup>

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<sup>5</sup>[http://www.petrom.com/portal/01/petromcom/petromcom/Petrom/Raport\\_de\\_implicare\\_in\\_comunitate\\_2011](http://www.petrom.com/portal/01/petromcom/petromcom/Petrom/Raport_de_implicare_in_comunitate_2011)

In the health department PETROM has initiated a project of expansion of the present network of emergency telemedicine with the office in Tg. Mures and other 16 medical locations, connecting them to an emergency center at the Emergency Clinical Hospital Floreasca from Bucharest, thus connecting 56 hospitals from 19 districts. Emergency telemedicine represents another possibility for the doctors to communicate among themselves, in order to establish a diagnostic and the possibilities of intervention.<sup>6</sup>

The expansion of the emergency telemedicine network is the first project included in the "Access to Life" platform. The initiative responds to an urgent need within the Romanian medical system: that of access to specialized emergency medical services. Through a joint endeavor with the Ministry of Health, in 2010 Petrom allotted approximately 450,000 EUR for expansion of the current emergency telemedicine network - with its center at Targu Mures - into 16 more hospitals, connected to a new coordination center at Floreasca Emergency Hospital in Bucharest. Through Petrom's investment, the national emergency telemedicine network was expanded to 56 hospitals in 19 counties.

With works initiated in 2010, in September 2011 all network connections between the hospitals included in the program and the new coordination center were completed. Now, 9.5 million Romanians have access to emergency medical services through the "Access to Life" platform.

Telemedicine means quick access to medical expertise via long-distance communication. A videoconferencing system and vital signs monitoring equipment enable access to fast and accurate diagnosis, through recommendations provided by specialists at the two command centers in the country (Floreasca Emergency Clinical Hospital in Bucharest and Targu Mures County Clinical Hospital).

Although there was the possibility of using some hospitals endowed with the necessary equipment for emergency medicine, the company preferred to participate in a project that united specialists from different parts of the country in order to achieve an exchange of information, that would later have a positive effect on the community; the doctors from the respective hospitals that were connected to the network would have an increased volume of information, and would find out about the newest techniques of intervention in emergency medicine. There is a transfer of know-how from the center towards the hospitals from diverse distant towns.

Within the same project there was a program of awareness for the inhabitants of Dobrogea, about the prevention of Hepatitis B and C. Dobrogea is a poor region, people do not have the necessary information about the prevention of getting infected by the viruses of this disease and many children fall ill. The action of testing and informing was achieved in partnership with the Foundation Baylor Black Sea, that had been conducting for three years activities of testing, informing and counseling through the creation of a mobile unit of diagnosis.

As part of the same project there was a cross-country organized in Bucharest, with a wide participation, and the novelty consisted in measuring the individual performance of the participants:<sup>7</sup>

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<sup>7</sup>[http://www.petrom.com/portal/01/petromcom/petromcom/Petrom/Raport\\_de\\_implicare\\_in\\_comunitate\\_2011](http://www.petrom.com/portal/01/petromcom/petromcom/Petrom/Raport_de_implicare_in_comunitate_2011)

In the fall of 2011, Petrom organized the sixth edition of the Petrom Cross, in Piata Constitutiei. The event boasted 1,500 participants passionate about sports. They ran a route of approximately 4 km, from Piata Constitutiei, on to Calea 13 Septembrie, Izvor St., Natiunilor Unite Boulevard and back to Piata Constitutiei.

Cross participants registered into one of three categories: Junior (aged 14-18), Adult (with the following age categories: 19-34, 35-44 and 45-59), and Veteran (aged 60 and older). The prizes consisted of 4,800 l of fuel for the Adult and Veteran categories (first place: 300 l, second place: 200 l, and third place: 100 l of fuel), and shopping vouchers at Hervis Sports stores, for the Junior category (1st place: 800 RON, 2nd place: 600 RON, 3rd place: 400 RON).

This year's novelty is the ranking system of the runners, developed with the help of an electronic tracking system. Each Petrom Cross participant received a T-shirt and a unique contest registration number, mandatory for the measurement of their performance in the final classification. Thus, each runner had to step on the special carpet placed at "Start"/"Finish" line in order to activate the sensor and to ensure that their performance was recorded.

All Petrom Cross contestants were treated to surprises and enjoyed a complete entertainment program. Carmen Bruma and Adrian Nartea enlivened the atmosphere throughout the entire day. Worldclass Sport Center specialists held zumba, kickboxing and cycling sessions, and Hervis Sports representatives challenged those interested to basketball, ping pong, volleyball and football games. In addition to that, nutritionist Serban Damian hosted a 30-minute seminar. Specialists from the Romanian Heart Foundation helped participants measure their blood pressure. The Petrom Cross ended with a concert by Elena Gheorghe.

The cross-country was a moment of entertainment, but it offered to the participants the possibility for self evaluation, for improving their further performances, for socializing with the other members of the community.

In every program of the project *Access to Life* there are values that the company is promoting – the professionalism obtained by continuous learning, the partnership with those who have already acquired expertise for the benefit of the community, the respect for the environment and for the community.

The projects in the domain of the environment have included activities of forestation of the zones with landslide or desertification risks, activities of greening the areas of certain towns, all achieved with the help of volunteers. The company focuses a lot on volunteering and it stimulates its employees to get involved in volunteering activities, to set a good example for the community where they live and work.

## **Conclusions**

The company PETROM has a coherent and well structured plan of involvement in the Romanian social life. All the accomplished projects rely on a careful analysis of the needs of the community, but also on the values that must be cultivated, on the mentalities that must be changed, on the attitudes that the community members must assume for a positive cohabitation and for the development of the community.

The values of the company brand are transmitted from the inside to the exterior. The employees are the basic parts in this strategic plan by assuming these values and applying them into practice, relying on the power of example. Most of the projects are addressed to young people and to the teachers who are forming them, they represent the resource of tomorrow and their capacity of accumulation and their flexibility are much wider. The

activities have as starting point the team competitions, thus stimulating their capacity of analysis and synthesis necessary for exploration, team work and competition. All these skills are necessary later in their professional activity, the attitude of responsibility towards the community, the respect for the environment and for people will help them work in a team and get involved in the projects of the organization. The RCS strategy has as objective a real and lasting change of Romanian society.

Romanian society is still affected by the flaws of social, economic and political structures prior to the year 1989. We have inherited an atomized, individualistic society that is still waiting to be coordinated by a unique party that would decide where everyone would work after finishing their studies, where they would live, what they are allowed to do or not, a mentality that affects mostly adults who were formed during that period. The members of the party were intangible and all knowing, and free will, even partnerships, were dangerous values that had to be erased; schools didn't encourage team work, for example, neither real competition, nor the desire to explore. Therefore, the much waited for change at the edge of the 90's has yet to arrive, because it has to happen from the inside of society, not from the outside. The involvement in the life of the community represents a condition necessary for progress and the pattern that the company PETROM has launched by the projects of involvement in the community as part of the strategy of Corporatist Social Responsibility represents a guide of good practice for Romanian society.

PETROM is a RSC leader because it is a big company, with a well established core of values, with a coherent strategy based on a thorough analysis of the risks and benefits and the criteria of selection of viable projects. These activities of social involvement have the role of creating a social capital of brand, because the consumers, especially the drivers, can consider that this company wants to obtain a bigger profit, and that would be their only objective. The price increase of gasoline and diesel fuel angers the drivers, who, in previous years, have gathered on the internet and went on strike. Using the RSC strategy the PETROM company returns to society a small part of the profit. However, this investment in people will bring an important profit to Romanian society and even to the company that will be able to select staff that would already have the values of the brand inbred.

All the projects have been promoted in the newspapers, radio stations, television and on their own websites. The news, the reports and even the advertising clips have the role of informing, but also of creating the image of a company that cares about society problems, that works together with the other members for the collective welfare. The logo **PETROM** *essence of motion* has many meanings – the company offers the source of energy for vehicles, for the industry, but also for society, it gets the social mechanisms in motion, for a profound and lasting change.

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