Advertisement vs Societal Based Marketing Communication : An Empirical Analytic Comparison vis-a-vis Profit Contribution

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Abstract

This research was carried out in a crucial time of transition when ad-believability is showing downward tendency and marketers earnestly require alternative tools for better customer connect. Appropriate reviews of literature helped us to understand how social spending can be used as an alternative to generate a positive impact on profitability alongside advertisement spending. Furthermore, to study empirically this conceptual proposition, we developed time series based ordinary least square linear regression model. Regression analysis was also done for the logarithmically transformed variables to know the relationship between the log of dependent and log of independent variables. Then, for each company, both the linear and log-linear models were compared to know the best fit model and by which the efficacy of societal spending considering profit impact of advertisement expenditures as reference was verified. For the purpose of building the said model, we employed 15 years' annual profit societal and advertisement expenditure data for 19 companies. The results indicated the efficiency of spending on core societal issues towards profit contribution in comparison to advertisement expenditure. The results further helped us to conclude the complementary role of societal spending along with advertisement spending on strategic brand building.

Keywords : marketing expenditure, societal expenditure, sales, corporate social responsibility, marketing communication

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The concept of corporate social responsibility has made an amazing progress in the recent past as erstwhile, it was considered as a type of 'corporate philanthropy' that connotes the maintenance of relationship with the communities by engaging in various charitable activities and providing financial support (Nandi, 2013). More specifically, it can be said that the traditional view of the business was to carry out 'CSR' related activities with respect to ethical compliances, economic compliances, legal compliances, and philanthropic compliances (Carroll, 1991). Further, Andriof, Waddock, Husted, and Rahman (2002) asserted that the scenario has somehow changed since 1970 onwards, as the imperatives are not confined to these components only. Companies want to make a profit but by being a part of the society, they want to give back towards it for using its resources by undertaking socially responsible activities. Apparently, the focus has shifted from making only profit to accomplish benefit by meeting various challenges towards the society (Petkus & Woodruff, 1992). So, it is important to discuss the contemporary issues regarding the use of the concept of corporate social responsibility in order to mould this range from scant understanding of CSR to strategic efficacy of CSR on business performance.

McElhaney (2009) suggested that CSR can act as an interacting strategy between business and society by

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extenuating risk of the business through seeking various opportunities from the society. Husted and Salazar (2006) studied the impact of CSR when used strategically on firm's profitability and its social performance. They observed that if the investment towards societal activities is made strategically, then it can provide better results both in earning profit and meeting societal challenges. They further suggested that a company can get competitive advantage by making investments in societal activities when it is strategically linked with the corporate strategies. Kapoor and Sandhu (2010) observed an impactful effect of societal activities towards profitability. Baron (2001) asserted that the notion of CSR can be matrixed into a company's strategy to meet the myriad of challenges which a company is likely to face in the quest for better returns. Presently, when consumers respond less to various elements of promotional mix and ,therefore, ad believability is less among them, this instantiates trust building as an ongoing challenge. In this pursuit, companies need to focus enough on the customer's attitudes and buying behaviour for sustaining in this competitive era (Barich & Kotler, 1991).

Gupta (2002) observed that when consumers find the same perceived bracket of price and quality for any product, then they would like to opt for a company which is actively engaged in responsible activities towards the society. Brand image is a notion and accrued experience which a company gains over the years (Nguyen & LeBlanc, 1998). Hence, corporate social responsibility helps to promote brand image and thereby augment reputation of a company (Arslan, Phil, & Zaman, 2014). Consequently, it can be said that if the brand is socially responsible, then it is preferred more by the consumers. A company with good - quality products with good societal reputation successfully meets the challenges of this changing environment better than that of a company with good quality products but having a bad corporate reputation (Andriof, Waddock, Husted, & Rahman, 2017). Thus, by building brand trust with active participation in CSR-related practices, companies could strengthen the relationship with the customers (Manimalar & Sudha, 2015). Thus, it is essential for the companies to achieve compliance and engagement with CSR by taking into account the strategic actions related to it, which intend to benefit it economically as well as socially (Husted & Salazar, 2006).

Literature Review

The review of literature helps us to expand our analysis with depth and width. The discussion made in the previous section has enabled us to understand three facts of inferences namely : (a) CSR is not philanthropy only, (b) the changing nature and application of CSR, (c) strategic application of CSR.

To understand these issues further, we endeavoured to make our literature survey in three parts :

(1) Focus on CSR.

(2) The role of CSR in consumer behaviour and brand equity.

(3) Comparison between the efficacies of CSR led branding & traditional led branding.

(1) Focus on CSR : The concept of corporate social responsibility has escalated at an astounding pace in the recent days. The concept of corporate social responsibility was defined by World Business Council for Sustainable Development (n.d.) as, "the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large" (p. 3). Further, the concept has been illuminated from two perspectives. Firstly, it ensures a good relationship between the company and the people & environment in the society where it operates, while secondly, as lying in the same umbrella, the concept affects the employees and all the other stakeholders (Mazurkiewicz, 2005). To serve the long term objective of generating social interest, governments have encouraged CSR related activities as a complement to their ongoing environmental and social programs (Mazurkiewicz, 2005). Furrer et al. (2010) carried out a study in the education sector and ascertained that the students of business attributed more to environmental CSR than to social CSR. Moreover, the relationship between CSR and organizationally relevant outcomes could well be examined by considering the role of internal stakeholders on it (Morsing & Schultz, 2006).

Singal and Rhou (2017) discussed four issues that impede the effectiveness of using CSR initiatives in the employee domain such as employee propinquity to CSR ; fortify employee recognition with the company ; facilitate employees to be co-creators of CSR value ; and understand and fulfil employee needs related to CSR. In addition to this, Lichtenstein, Drumwright, and Braig (2004) and Nielsen and Thomsen (2009) identified the elements like society values, new business opportunities, reduced regulatory interventions, customer satisfaction, firm's reputation, and good stakeholder relationships, which act as the driving forces and thereby impel the companies to undertake CSR initiatives. Also, ISO 26000 identified six areas which are to be considered to ensure a holistic approach to social responsibility: (a) human rights, (b) labour practices, (c) the environment, (d) fair operating practices, (e) consumer issues, and (f) community involvement and development (Sustainability for Success, n.d.).

(2) The Role of CSR in Consumer Behaviour and Brand Equity : Organizations involve themselves in responsible activities towards the society to touch the zenith of success (Gupta & Sharma, 2009). Recently, the concept of social responsibility has received recognition to avail competitive advantage and to generate better performance (Krammer & Porter, 2006 ; Loosemore & Lim, 2017). The contour of traditional CSR has experienced a significant change (Doshi & Khokle, 2012). Research suggested a proportional relationship between consumer behaviour and corporate social performance of a company and its products (Bhattacharya & Sen, 2004 ; Pigott, 2004 ; Smith, 2003). Rodrigues, Real, Vitorino, and Cantista (2011) suggested that consumers intend to prefer the products of those companies which advocate CSR initiatives. According to Webster (1975), a socially responsible consumer takes into account the public consequences of his or her private consumption or who attempts to use his/her purchasing power to bring about social change. The behaviour of a socially responsible consumer includes the desire to purchase products in order to optimize the long term beneficial impact on the society (Mohr, Webb, & Harris, 2001).

According to Nandan and Nandan (2014), corporate brand equity could be enhanced through the compatibility between CSR and the core brand values of a company. Consumers are likely to decline the products of a company engaged in socially or ethically irresponsible activities (Chen & Bouvain, 2005). Sen, Bhattacharya, and Korschun (2006) revealed that a company's CSR activities are accepted by the individuals in multiple ways, such as instead of only buying products, they can seek employment with the company and thereby, invest there. Keeping in view the various objectives and perspectives of stakeholders, it is quite difficult to gain stakeholders' confidence or trust for the concerned company. So, it is the long term brand image which brought trust to these stakeholders (Dey & Sircar, 2012). Saravanakumar and Aiswariya (2014) studied the CSR initiatives that are linked with various aspects of consumer behaviour such as consumer loyalty, consumer attitude, product evaluation, and word-of-mouth. Corporate social responsibility has a noteworthy effect on customer loyalty, which is moderated by the affective identification of the consumers with the CSR activites of the company (Saju & Rajan, 2014). Moreover, Kotler (1991) stated that the positive relationship between CSR and brand image impeded customer loyalty and willingness to pay more for the product. Louro and Cunha (2001) stated that premium price is a decisive factor in brand loyalty. Moreover, Barnett (2007) suggested that organizations who take responsible initiatives towards the society are able to retain and manage customers.

According to Krammer and Porter (2006), in recent years, business decision making has been profoundly influenced by stakeholders and societal forces. To embed a position deep in the society, marketers should understand the efficacy of shifting from a narrow focus on consumers to their social needs. Esch, Langner, Schmitt, and Geus (2006) suggested that on the part of a consumer, a good image of a company helps to enhance the level of satisfaction and that in turn leads to a positive attitude towards the company. Also, Marin, Ruiz, and Rubio (2009) suggested that if a company can accomplish its commitment of doing responsible activities towards the society, it will affect the value perception of the consumer well and in turn result in higher satisfaction level. Rivera, Bigne, and Curras - Perez (2016) also established a positive correlation between CSR and customer satisfaction levels.

(3) Comparison Between the Efficacies of 'CSR Led Marketing' and 'Traditional Led Marketing' : Traditionally, marketing through various promotional tools like advertisements and celebrity endorsements were the influencing factors in gauzing profit as it connected the firm to the customer base (Luo & Bhattacharya, 2006). Tan and Chia (2007) discussed the role of media in determining the consumers' attitudes. According to Webster (1992), expenditure in marketing related activities such as marketing communication and promotional bustles influenced the performance of the firm well in the market place. Dekimpe and Hanssens (1995) stated that marketing helps to achieve short and long term benefit for the company. Rust, Lemon, and Zeithaml (2004) asserted a positive relationship between marketing and firm's performance. However, according to Webster Jr., Malter, and Ganesan (2005), various environmental forces have baffled the discipline of marketing in the last two decades. Laczniak and Michie (1979) suggested that spending in marketing related activities falls short to influence the customer purchasing decision. Indeed, from the social perspective, traditional marketing mix becomes blurred to influence the unpredictable expectations of the consumers and business environment as marketers view the consumers to be only interested in the elements of the marketing mix (product development, pricing, promotional tools, and location) (Schultz, 2005). However, regardless of the fact, consumers are influenced by the company itself from where they are purchasing the products. In particular, marketing practitioners were concerned with consumers' response to the CSR initiatives (Brown & Dacin, 1997 ; Sen & Bhattacharya, 2001).

Dawkins (2005) observed that according to 74% of the respondents, their purchasing behaviour was influenced by the social and ethical dimensions of a company, and 84% believed that a company needs to communicate their responsible activities. Gupta, Chaudhry, and Kamal (2015) suggested that cause related activities favorably impacted the consumers' perceptions towards companies and thereby influenced their intention of purchase. So, it is crucial for the companies not only to undertake responsible initiatives, but also to communicate them effectively to the consumers. Rhou, Singal, and Koh (2016) studied how CSR awareness played a significant role in achieving financial performance. In this context, it was observed that Kotler and Lee (2008) identified six avenues of doing good by fulfilling the commitments of corporate social responsibility as cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible practices. Hence, marketing communications related to CSR practices could have an opportunity to shape corporate reputation (Golob, Verk, Ellerup - Nielsen, Thomsen, Elving, & Podnar, 2017 ; Jahdi, 2015).

The literature review has identified two important trends. As a result of increasing consciousness of the consumers towards environmental and social concerns, it is observed that they adhere their preferences towards those brands which they perceive to be socially responsible. On the other hand, presently, traditional marketing is able to claim less impact on building trust/ believability in the consumer's mind. Thus, it would be interesting to know whether the former can be a good substitute for the latter. If it is so, then marketers need to shift the traditional orientation of marketing towards CSR led marketing. Therefore, the present research focuses on empirical testing of the fact whether CSR led marketing can be a good substitute for the traditional product feature/brand benefit related to marketing.

Data Collection

We chose the consumer goods industry for our present study. In this chosen industry, 19 companies were selected on the basis of availability of the data required for the analysis. The selected companies are Archies Ltd., Asian Star Co. Ltd., Bajaj Electricals Ltd., Bata India Ltd., Dabur India Ltd., Godrej & Boyce Mfg. Co. Ltd., Indiacom Ltd., Jocil Ltd., Jyothy Laboratories Ltd., Kokuyo Camlin Ltd., Marico Ltd., Mirc Electronics Ltd., Panasonic Appliances India Co. Ltd., Pee Cee Cosma Sope Ltd., Sarup Industries Ltd., Suashish Diamonds Ltd., Super

Tannery Ltd., Videocon Industries Ltd., and Whirlpool of India Ltd. To serve the purpose of our study, secondary data related to the variables : marketing expenditure, societal expenditure, and sales were collected for the period from March 2001 to March 2015 from the Prowess database (a large database of Indian companies by the Centre for Monitoring Indian Economy). Here, marketing expenditure includes advertisement expenditure and distribution expenditure ; whereas, societal expenditure encompasses miscellaneous expenditure and compensation to the employees. Miscellaneous expenditure includes expenditure related to environment & pollution control, social and community welfare, and also donation given by the companies, etc. Compensation to the employees consists of expenses related to the welfare of the staff and their training and other related expenses, etc.

Methodology

As the data were collected over a period of time, it signifies that the data are 'time series' in nature. Generally, in case of time series data, it is needed to check the evidence of stationary nature of all the variables for the purpose of analysis (Gujarati, 2011). A stationarized series is relatively reliable in the model prediction and analysis because statistical properties of stationary data remain constant over time. A time series is said to be stationary if it satisfies the properties - (a) Constant μ (mean) for all t. (b) Constant σ (variance) for all t (Gujarati, 2011).

Hence, to study the nature of data series in the present study, the values of Box - Pierce Q statistics have been observed, which helps to test whether the time series variables of each variable say sales, marketing expenditure, and societal expenditure are stationary or not.

Now, if the variable is found to be non - stationary, mathematical transformation using first differencing (or second differencing) is employed to stationarize the data series of the respective non-stationary variable, and on the basis of this, the respective transformed time series are undertaken for further study instead of initial data series.

It can be done as:

First differencing of sales $(Y) = dY = D(Y) = Y_t - Y_{t-1}$

Second differencing of sales $(Y) = d2Y = (Y_t - Y_{t-1}) - (Y_{t-1} - Y_{t-2})$

First differencing of marketing expenditure $(ME) = dME = ME_t - ME_{t-1}$

Second differencing of marketing expenditure $= d2ME = (ME_t - ME_{t-1}) - (ME_{t-1} - ME_{t-2})$

First differencing of societal expenditure $(SE) = dSE = SE_t - SE_{t-1}$

Second differencing of societal expenditure $= d2SE = (SE_t - SE_{t-1}) - (SE_{t-1} - SE_{t-2})$

Thereafter, regression analysis was carried out to know the influence of independent variables (marketing expenditure and societal expenditure) on the dependent variable (sales). Regression analysis was also done for the logarithmically transformed variables to know the relationship between the log of dependent and log of independent variables. Then, for each company, both the linear and log-linear models were compared to know the best fit model. The model which gave better results in terms of goodness of fit was to be considered for further analysis. But before accepting the model for further analysis and interpretation, the basic assumptions of the CLRM (classical linear regression model) for all the companies were taken care off individually. A best fit CLRM assumes no heteroscedasticity, no multicollinearity, and no autocorrelation.

The study was then carried forward by taking the average of marketing expenditure (*Av. ME*) and the average of societal expenditure (*Av. SE*) for the said period :

$$Av.\ ME = \frac{\Sigma ME}{n}$$

where, $i = 1,2......n,$ & $n = 1,2,..,15$

$$Av.\ SE = \frac{\Sigma SE}{n}$$

where, $i = 1,2......\ n$ & $n = 1,2,..,15$

$$Av.\ SE^* = \frac{\Sigma SE^*}{n}$$

where, $n = 1,2,..,15$ & $Av.\ SE^*$ is the average of SE excluding the expenditures made towards employees.

Now, companies which satisfied the following two cases were considered for further study :

(i) companies with $Av.\ ME > Av.\ SE$,
(ii) companies with $Av.\ ME > Av.\ SE^*$.

In addition to this, to analyze the above two cases, the mode values of unstandardized co-efficients of marketing expenditure and societal expenditure, that is, $|\beta_{ME}|$ & $|\beta_{SE}|$, respectively of each company were also observed. Here, it is to be observed that even if companies are expending more on promotional related activities (as shown in the two cases), how variation in the outcome variable would be influenced by the two independent variables under consideration ? Now, if $|\beta_{SE}|$ is found to be greater than $|\beta_{ME}|$ for the companies who belong to case (i) or case (ii), we can say that though the companies are investing more on promotional related activities, the influence of societal expenditure on sales is appreciable and could not be ignored.

Analysis and Results

After satisfying the stationary property of time series data, the values of coefficient of determination (R^2) in both the linear and log-linear models were compared. The model with high value of R^2 was selected for the purpose of analysis for each company. The values of R^2 for Archies Ltd., Asian Star Co. Ltd., Bajaj Electricals Ltd., Bata India Ltd., Dabur India Ltd., Godrej & Boyce Mfg. Co. Ltd., Indiacom Ltd., Jocil Ltd., Jyothy Laboratories Ltd., Kokuyo Camlin Ltd., Marico Ltd., Mirc Electronics Ltd., Panasonic Appliances India Co. Ltd., Pee Cee Cosma Sope Ltd., Sarup Industries Ltd., Suashish Diamonds Ltd., Super Tannery Ltd., Videocon Industries Ltd., Whirlpool of India Ltd. are found to be 0.18, 0.61, 0.44, 0.77, 0.62, 0.68, 0.11, 0.50, 0.84, 0.42, 0.23, 0.88, 0.93, 0.89, 0.80, 0.40, 0.74, 0.89, 0.75, respectively. It appears that for all these companies, variation in the dependent variable is well explained by the variation in the independent variables. However, the value of R^2 is quite low in case of Archies Ltd., Bajaj Electricals Ltd., Indiacom Ltd., Kokuyo Camlin Ltd., Marico Ltd., and Suashish Diamonds Ltd., where it seems that more than 50% of the dependent variable remains unexplained with the influence of these two independent variables, that is, marketing expenditure & societal expenditure.

The values of adjusted R^2 for all these companies are also quite satisfactory to study the suitability of the model. PARK test was carried out to detect the presence of heteroscedasticity. It is observed that the p - values associated with t-statistics for marketing expenditure lie in the range of .018 to .976, and for societal expenditure, the values range between .072 and .925, that is, all these values are greater than .01 (or .05), which reflects that they are statistically independent. Thus, it is evident from these values that the selected model is free from the problem of heteroscedasticity. The VIF & tolerance values for both the variables of all the companies are also observed and lie in the satisfactory range, which indicates the weak association between the independent variables. To test the presence of autocorrelation, the DW values of each company are observed, the values of DW of Archies Ltd., Asian Star Co. Ltd., Bajaj Electricals Ltd., Bata India Ltd., Dabur India Ltd., Godrej & Boyce Mfg. Co. Ltd., Indiacom

Table 1. Comparison Between the Expenditures Made by the Companies Towards Marketing and Societal Related Issues

Company	*Av. ME*	*Av. SE*	*Av. SE**	$\lvert\beta_{ME}\rvert$	$\lvert\beta_{SE}\rvert$
Archies Ltd.	39.9933	162.5	3.70667	3.41	0.68
Asian Star Co. Ltd.	12.96	149.633	14.8333	527.9	26.51
Bajaj Electricals Ltd.	617	1332.32	461.513	15.77	2.88
Bata India Ltd.	448.107	2202.67	257.587	4.48	2.68
Dabur India Ltd.	3581.75	2750.71	922.1	0.39	3.75
Godrej & Boyce Mfg. Co. Ltd.	2834.82	6568.81	1884.41	6.65	0.5
Indiacom Ltd.	7.63077	40.0154	3.53846	0.63	0.33
Jocil Ltd.	33.5333	125.373	18.0933	17.76	16.96
Jyothy Laboratories Ltd.	743.913	609.12	38.28	1.7	3.39
Kokuyo Camlin Ltd.	222.713	427.807	122.753	2.2	3.56
Marico Ltd.	2829.38	1108.43	194.4	3.16	2.52
Mirc Electronics Ltd.	943.253	1048.96	421.88	3.78	11.24
Panasonic Appliances India Co. Ltd.	159.16	100.867	6.82667	2.65	6.41
Pee Cee Cosma Sope Ltd.	12.9867	24.1733	0.84667	1.61	5.59
Sarup Industries Ltd.	12.2733	80.2567	0.9	2.38	5.58
Suashish Diamonds Ltd.	20.3933	95.6133	21.8733	71.6	1.1
Super Tannery Ltd.	73.42	118.247	12.7	8.23	9.92
Videocon Industries Ltd.	2272.23	2681.91	836.147	18.96	5.99
Whirlpool of India Ltd.	1335.6	2000.21	419.227	2.75	10.39

Table 2. Comparative Contributions of Marketing Expenditure and Societal Expenditure

Av.ME > Av.SE	$\frac{\lvert\beta_{ME}\rvert}{\lvert B_{SE}\rvert}$	$\frac{\lvert\beta_{ME}\rvert}{\lvert B_{SE*}\rvert}$
	<1	>1
	3	1
*Av.ME > Av.SE**	9	8

Ltd., Jocil Ltd., Jyothy Laboratories Ltd., Kokuyo Camlin Ltd., Marico Ltd., Mirc Electronics Ltd., Panasonic Appliances India Co. Ltd., Pee Cee Cosma Sope Ltd., Sarup Industries Ltd., Suashish Diamonds Ltd., Super Tannery Ltd., Videocon Industries Ltd. are observed to be 2.23, 2.14, 2.46, 2.45, 2.30, 1.63, 2.66, 1.93, 2.49, 1.62, 1.86, 1.72, 2.49, 1.60, 2.44, 2.50, 1.66, 2.42, and 1.82, respectively which satisfies the property of no serial correlation.

Thereafter, we attempted to make a comparison between the expenditures made by the companies towards marketing and societal related issues. As reported in the Table 1, it is observed that four companies out of 19 companies (Dabur India Ltd., Jyothy Laboratories Ltd., Marico Ltd., Panasonic Appliances India Co. Ltd.) made more average marketing related expenditure (i.e. *Av. ME*) than that of expenses related to serve the societal purpose (i.e. *Av. SE*).

Amongst these four companies, Dabur India Ltd., Jyothy Laboratories Ltd., and Panasonic Appliances India Co. Ltd. have ($|\beta_{ME}|/|B_{SE}|$) < 1 and ($|\beta_{ME}|/|B_{SE}^{*}|$) < 1 and Marico Ltd. has ($|\beta_{ME}|/|B_{SE}|$) >1 showing ($|\beta_{ME}|/|B_{SE}^{*}|$) > 1. Thus, it can be inferred that 75% of the companies in both the cases showed a favourable impact of marketing related expenditure and societal expenditure towards sales, respectively (as shown in Table 2). On the other hand, if average marketing related expenditure (i.e. *Av. ME*) of all these companies is compared to expenses related to the core societal purpose, which means if the expenses made for compensation to employees is excluded from the calculation of the societal expenditure (i.e. *Av. SE**), we found that 17 companies (Archies Ltd., Bajaj Electricals Ltd., Bata India Ltd., Dabur India Ltd., Godrej & Boyce Mfg. Co. Ltd., Indiacom Ltd., Jocil Ltd., Jyothy Laboratories Ltd., Kokuyo Camlin Ltd., Marico Ltd., Mirc Electronics Ltd., Panasonic Appliances India Co. Ltd., Pee Cee Cosma Sope Ltd., Sarup Industries Ltd., Super Tannery Ltd., Videocon Industries Ltd., Whirlpool of India Ltd.) had more average marketing expenditure than that of core societal expenditure (see Table 1), and here, nine out of 17 companies, that is, more than 50% of the companies show ($|\beta_{ME}|/|B_{SE}|$) < 1 and the remaining 48% have ($|\beta_{ME}|/|B_{SE}|$) >1 (as shown in Table 2).

Thus, it can be said that those companies who made their societal expenditure only in the core societal issues like environmental and pollution control, community development, donation, etc. had a more significant effect towards obtaining more sales, in spite of making more expenditure in marketing related expenditure. It is well observed that though the companies are expending more on marketing related activities, the efficacy of spending on societal activities could not be ignored. Hence, the findings suggest that CSR- related expenditures are being considered as the key prerequisites for gaining more benefits for the companies. The study concludes that despite higher expenditure made in traditional tools of marketing, expenses incurred in the core societal issues (like environmental and pollution control, community development, donation etc.) had a more influential effect towards reaping more outcomes in the form of sales performance.

Discussion and Conclusion

On the one hand, it was well observed in the study of Abdullahi (2014) that advertising is an important tool of communication to the masses, but its effects have become less influential in depicting profitability. However, on the other hand, various studies have asserted the emergence of importance of societal marketing communication to encourage sales volume, which could positively affect business performance (Ahmed, Alam, Jafar, & Zaman, 2008). In the above studies, the direct effect of both the types of promotions was observed, but the comparative contribution of the same was not available. Hence, in the present study, we endeavoured to compare the contributive efficacy of both advertisement expenditure and societal expenditure towards profitability. The study concluded by observing that despite higher expenditure made in traditional tools of marketing, expenses incurred in the core societal issues (like environmental and pollution control, community development, donation, etc.) had a more influential effect towards reaping more outcomes in the form of sales performance.

Now, the possible query may arise that why it is so ? The most plausible answer is that these mentioned societal expenditures create not only attraction, but also help to build some kind of good perceptions, which result in positive beliefs towards firms' overall image. In this pursuit, Madrigal and Boush (2008) asserted that CSR initiatives are used as a tool to enhance the brand image/corporate image of a firm, and the important dimension of this image is the social responsibility ; also, we can say the social obligation to society. According to Aaker (1996) and Esch et al. (2006), consumer's current purchasing behaviour and future purchase intentions were influenced by their evaluation of corporate activities. Perhaps, consumers want to ascertain a connection with their favoured brand to reveal their own personality through the brand (Fournier, 1998). On the other hand, commitment to CSR-related activities by the company itself helps in generating a brand image (Mohr & Webb, 2005). If marketers are more conscious and ably employ consumer's positive perceptions for the purpose of building brand trust in the minds of the same, they need to have an interaction between traditional and societal means of marketing communication. Perhaps for this reason, awareness among the consumers helps to gain a favourable relationship between CSR and purchasing decisions (Auger, Burke, Devinney, & Louviere, 2003 ; Brown & Dacin, 1997 ; Creyer, 1997; Sen & Bhattacharya, 2001).

Pomering and Dolnicar (2009) observed that customers are more prone to the products of a company when they are well aware of the responsible practices taken by it. Hence, the main reason behind implementing CSR activities incorporates the fact that the consumers who are well aware of CSR are more prone to buy the products of a certain company (Boonpattarakan, 2012). Advertorials, news items, or simple advertisements explaining spending on the community may help to build brand equity in many ways. Thus, marketers may use this as a strategy to stay in tune with the changing behaviour of the customer in this competitive era. Moreover, in terms of the strategic orientation of this ground, Hoeffler and Keller (2002) discussed how CSR based marketing helps the firm to gain brand equity by creating brand awareness, augmenting brand image, and generating brand credibility. Moreover, research has suggested that integrating CSR into marketing practices procures fair returns to the company (Maignan, Ferrell, & Ferrell, 2005). Thus, this socially responsive orientation indeed plays a noteworthy role in brand or product evaluation by the consumer (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). Finally, this research suggests not to withdraw focus on advertisement based marketing communication for connecting with customers, but at the same time, it also suggests for inclusion of CSR based philanthropy as a part of strategic brand communication especially when ad-believability is decreasing and as a result of that, diminishing marginal returns are being observed for traditional ad-based promotions.

Managerial Implications

The implications from the findings of this study are quite interesting in the field of advanced research in search of relevance of societal responsibilities in realizing profitability. This present study may act as an eye-opener for corporate managers. The concept of communicating customers about the company's activities in relation to welfare of the society may help corporate honchos to reinvent marketing strategies to enhance returns on marketing investments. Furthermore, it reveals empirically the dual facts that have already been opined by previous researchers (Abdullahi, 2014 ; Gupta, Chaudhry, & Kamal, 2015). The said facts are :

(i) Impact of advertisement expenditure is becoming less productive in terms of business performance (profitability).

(ii) Alternative means of promotion, namely societal activities of the corporation possibly generate more trust/belief in the minds of the customers.

Especially for the business marketers, our present study would add support to the fact how the alternative means of promotion may play a determining role in generating trust in the minds of the customers. However, this study may not be in a position to declare (and maybe this is not the fact also) that societal activity may liquidate the importance of advertisements. Thus, this research may offer societal activities and communication of the same as an alternative option to the corporate (marketing) planner. Being a receiver of communication having content of corporate responsibility practices may augment customers' trust and belief in the corporation as a whole and which can be ploughed back to develop brand equity by them. Thus, it is reflected from the study that the efficient communication of CSR activities should generate a favourable understanding of the company itself, which would thereby enhance corporate identity and simultaneously the image of the company.

Limitations of the Study and Future Research Scope

This study is based on aggregative (secondary) data, which is indicative/exploratory in nature and thus needs to be verified by micro-level observations. Micro-level observations and analysis are not present in the present work, which is required to be dealt in by future researchers. Micro-level research studies can be qualitative in nature like having in-depth interviews, observations, or can be quantitative attitudinal studies based on construct development.

Future researchers may deal with the relationship between societal purchase intention and overall societal orientation for individual respondents, and for this purpose, we need to develop a construct in relation to the said issues. Customer societal orientation and its actual reflection on a societal purchase may also be an issue for discussion. After studying all these relationships empirically, we can validate the importance of expenditure on societal issues over the same of advertisement expenditure.

Our work is also limited by non-availability of data due to non reporting of CSR and other societal activities by the firm. We understand this problem would be less influencing since the government has taken initiatives for CSR disclosure and thus would expect a better fitting of a model to understand the relationship among advertisement expenditure, societal expenditure, and profitability in the future.

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Appendix

[A]. In the present study, it is observed that first difference transformation is needed for the company : Pee Cee Cosma Sope Ltd. and second difference transformation is needed for Asian Star Co. Ltd. Thereafter, regression analysis was carried out and the value of *DW* statistics was again observed for testing the evidence of autocorrelation.

Pee Cee Cosma Sope Ltd. (first difference transformation) :

$$Y_t - \rho Y_{t-1} = \alpha + \beta_1(ME_t - \rho ME_{t-1}) + \beta_2(SE_t - \rho SE_{t-1}) + (u_t - \rho u_{t-1})$$
i.e. $\Delta Y_t = \alpha + \beta_1 \Delta ME_t + \beta_2 \Delta SE_t + v_t$

Asian Star Co. Ltd. (Second difference transformation)

$$\Delta \text{lnd} Y_t - \rho \Delta \text{lnd} Y_{t-1} = \alpha + \beta_1(\Delta \text{lnd} ME_t - \rho \text{lnd} ME_{t-1}) + \beta_2(\Delta \text{lnd} SE_t - \rho \Delta \text{lnd} SE_{t-1}) + (u_t - \rho u_{t-1})$$
i.e. $\Delta^2 \text{lnd} Y_t = = \alpha + \beta_1 \Delta^2 \text{lnd} ME_t + \beta_2 \Delta^2 \text{lnd} SE_t + v_t$

where, autocorrelation co-efficient = $P = \dfrac{\sum e_t e_{t-1}}{\sum e_t}$

Δ = First difference operator, Δ^2 = second difference operator

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