Investing time wisely: enhancing brand awareness through stakeholder engagement in the service sector

Marina Mattera

Department of Economics and Finance,
European University of Madrid,
Calle Tajo, s/n. Urb. El Bosque,
s/n. 28670-Villaviciosa de Odón, Madrid, Spain
Email: marina.mattera@uem.es

Verónica Baena*

Department of Business Administration,
European University of Madrid
Calle Tajo, s/n. Urb. El Bosque,
s/n. 28670-Villaviciosa de Odón, Madrid, Spain
Email: veronica.baena@uem.es
*Corresponding author

Julio Cerviño

Department of Business Administration,
University Carlos III of Madrid,
Calle Madrid, 126, 28903 Getafe, Madrid, Spain
Email: jcervino@emp.uc3m.es

Abstract: Corporate Social Responsibility (CSR) is understood as liabilities a person or organisation has towards its social context, including people as well as physical environment, when conducting any activity whose consequences will not only affect the subject who carries it out, but also the other individuals. However, there has been scarce attention in academia and practice to CSR's influence on brand awareness. To shed light on this issue, this study uses stakeholder theory to provide insights into the effects that CSR reporting initiatives and effective communication have on a company's brand. Sixteen most renowned and well-known service companies of Spain were considered. Findings of the study demonstrate a positive association between holding the ISO 26,000 certification and a firm's brand awareness. Furthermore, it was shown that reported information being reviewed by organisms other than global reporting initiative organisation is positively associated with the company's brand awareness in the service sector.

Keywords: sustainability; CSR; corporate social responsibility; brand awareness; strategic management.

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Biographical notes: Marina Mattera is a Teaching Assistant Professor and a PhD Candidate at European University of Madrid. She is experienced in the field of management and strategy and her research focuses on sustainability. She has recently published two study cases in *Sustainable Supply Chain Management*. She has presented and participated in a number of national and international conferences. Moreover, she is a member of the Production and Organization Management Society.

Verónica Baena is an Associate Professor of Marketing at Universidad Europea de Madrid in the Department of Business Administration. She holds a PhD in Business Economics from the Department of Statistics, Economics and International Business, Universidad de Alcalá, Spain, and Bachelor's Degrees both in Law and Business Administration from Universidad Carlos III de Madrid, Spain. She recently received the Best Researcher Award at European University of Madrid. Moreover, she was one of the two finalists of the European Award for Excellence in Teaching in the Social Sciences and Humanities for the academic year 2012–2013.

Julio Cerviño is an Associate Professor of Marketing in the Department of Business Administration at Carlos III University. He holds a PhD in Business Administration from the University Autonoma of Madrid, an International MBA from Washington University (USA), an MBA from University Autonoma of Madrid, and a Bachelor in Economics from University of Santiago de Compostela. In addition to his teaching and research activities, he is a consultant on brand management and valuation and international marketing for different public and private institutions.

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1 Introduction

Corporate Social Responsibility (CSR) has been defined by the United Nations organisation as the obligation a person or organisation has towards its socio-economic context. These duties arise when conducting any activity whose consequences will affect the subject who carries it out and other individuals. Specifically for companies, this comprises a responsibility towards all its stakeholders, as well as towards the environment and the footprint derived from all its productive and economic activities. It was determined by Clarkson (1995) that a firm's operations would be obstructed if such company fails to fulfil its major stakeholders' demands. Along these lines, it was identified that employees are the most important group within a firm's stakeholders given that they constitute the enterprises' public figure with customers, suppliers and other individuals in the social context. This premise proves to be especially true in the case of service industries, where employees are a key element in communicating the firm's essence and message (Summer, 2005).

Notwithstanding, it has not been until recent years that consumers have begun to actively show concern for the socio-environmental actions of firms in terms of product/service design, production process and general corporate functions. This has brought about increased market pressure for firms to present annual sustainability documents. Furthermore, it is important for these reports to be externally verified (audited), otherwise they will be considered as part of 'greenwashing' or 'bluewashing' initiatives (Lydenberg, 2002). However, the lack of international standards regarding third party auditing of sustainability reports diminishes the reliability and transparency of such reports. CSR reporting based on internationally accepted guidelines created by a privately managed organisation is not generally valued by customers. As noted by Guiry (1992), the social aspect (employees, consumers, suppliers, etc.) is of greater relevance when it comes to service sector companies. Considering that service firms specifically deal with a larger number of stakeholders and at the same time each of these stakeholder groups influence the firm's image, it is fundamental to have a well-established management and partnering strategy (Harrison and St. John, 1996). Given the importance of stakeholder groups in service companies and the increasing relevance that protecting the environment has in global society, service companies need to balance the Triple Bottom Line (TBL). This concept was introduced by Elkington (1997) who argued that companies should measure corporate profit while also measuring how socially responsible an organisation has been. The TBL comprises three main elements, also known as the three Ps: people (social), profit (corporate profit) and planet (environment). In order to assess the degree of commitment to society, the authors propose using as variables the operations it has carried out and also how environmentally responsible it has been. Consequently, by including the social and environmental aspects into the elements that firms should take into account and measure, the overall performance is addressed. Therefore, only by taking into consideration the three Ps, a company would accurately take into consideration the full costs involved in business (Hubbard, 2009).

Numerous authors found TBL elements (people, planet and profit) necessary to achieve sustainable development (Norman and MacDonald, 2004; Hacking and Guthrie, 2007; Venkatesh, 2010). Similarly, the effect of firm's CSR activities and consumer brand awareness of the company's overall performance are key issues, which need to be addressed (see e.g. Brunk and Blümelhuber, 2011; Melo and Galan, 2011). In an attempt to shed light on this issue, the present study uses stakeholder theory to analyse the relationship between a firm's honouring the social contract and its brand awareness. This theoretical perspective values a firm's actions towards its different stakeholder groups and the information presented to them. Hence, the present paper explores the effect of CSR on a firm's brand awareness. Specifically, we also explore whether being reviewed by the Global Reporting Initiative (GRI) organisation, holding ISO 26,000 certification and subscription to Carbon Disclosure Project (SDP) guidelines may have an effect on the company's brand awareness. The influence of whether a company is privately owned versus state owned is also explored. To achieve this goal, top service companies of Spain in terms of revenues, brand awareness, market capitalisation, as well as national and international relevance, were considered. This will be our contribution.

The rest of the paper proceeds as follows. First, the conceptual model and hypotheses are developed upon the Stakeholder theory. Second, the empirical analysis is described, followed by detailed results. The paper concludes by addressing contributions for researchers and practitioners, main limitations and suggestions for future research.

2 Literature review and hypotheses development

2.1 Stakeholder theory

Donaldson (1982), based on John Locke's philosophy, evidenced the existence of a relationship between the firm and society, which is a consequence of the social contract tradition. Specifically, 'Integrative Social Contract Theory' argues that social responsibilities derive from a company-society agreement through which, by mutual consent, the firm not only takes into account the socio-cultural context, but also incorporates it to the management strategy and practice (Donaldson and Dunfee, 1999). This social contract sets the basis for the stakeholder theory (Donaldson, 1982; Freeman, 1984; McWilliams and Siegel, 2001) and its equivalent approaches (strategic CSR, enlightened self-interest); all of which are based on the social contract.

CSR is the concept underlying the social contract yet it does not have a single academic definition. However, in order to clarify the concept that will be used, the present study adopts the following definition stated by the World Business Council for Sustainable Development (2012, see www.wbcsd.org) which describes CSR as:

> *The business contribution to sustainable economic development. Building on a base of compliance with legislation and regulations, CSR typically includes "beyond law" commitments and activities pertaining to: corporate governance and ethics, health and safety, environmental stewardship, human rights (including core labour rights), human resource management, community involvement, development and investment, involvement of and respect for Aboriginal peoples, corporate philanthropy and employee volunteering, customer satisfaction and adherence to principles of fair competition, anti-bribery and anti-corruption measures, accountability, transparency and performance reporting, supplier relations, for both domestic and international supply chains.*

CSR actions are mainly oriented to effectively contribute to sustainable economic development. This idea has been adopted by the United Nation's World Commission on Environment and Development (1987) as the means to cover society's needs without jeopardising the generations of the future. Sustainable development therefore encompasses two main aspects: needs and limitations. The first one refers to the essential needs of society, but especially of the world's poorest populations. In fact, tackling the needs of low-income individuals must be considered an overriding priority. Second, as concerns the limitations, sustainable development embraces the current technological advancements and social organisation on the environment's capacity to meet current and future needs.

Based on the above framework, scholars posit that firms have responsibilities towards the community and environment in which they operate. Those obligations are regulated but not limited to national and international legal requirements (Bronn and Vrinoni, 2011). In particular, when firms voluntarily accept their obligations beyond legal compliance, they accept the validity of the social contract, thus recognising their social nature (Wilson, 2000). We can therefore argue that a company's relationship with society is governed by laws and regulations, yet the inherent nature of this relation relies on an implicit agreement between both parties (Porter and Kramer, 2002). Moreover, the stakeholder theory argues that firms, which are involved in their communities and tackle the needs or wants of society, will be economically rewarded, as per the inherent nature of the social contract. Consequently, there is an optimum level of CSR in terms of investment and engagement, which maximises the stakeholder demand for social initiatives and corporate profit. In short, there is no trade-off between investing in business efficiency and investing in CSR (McGuire et al., 1988; Shepard et al., 1997; Buchholtz et al., 1999; Quazi and O'Brien, 2000; Jones et al., 2007; among others).

To date, there have been limited academic studies analysing the effect of CSR reporting strategies and initiatives on brand awareness. Specifically, marketing studies have provided great understanding of the CSR–financial performance relationship, examining outcomes such as improved loyalty, willingness to pay premium prices (Creyer, 1997) and greater resilience during crisis' circumstances (Klein and Dawar, 2004). All the aforementioned marketing results consequently favour better financial performance for the company. For instance, Von Arx and Ziegler (2009) concluded European and US Stock Markets rewarded companies with a high intensity of environmental and social activities in comparison with firms without this social orientation. Furthermore, Ameer and Othman's (2011) study confirmed companies emphasising sustainability practices (i.e. CSR-related strategies and activities) show higher financial performance than firms without these initiatives.

Nonetheless, CSR's influence on marketing variables lacks consistent findings in part due to the multiple interpretations of 'CSR activity' among researchers (Margolis and Walsh, 2003). Maignan and Ferrell (2004, p.17) state "past findings remain hardly comparable because they focus on specialised facets of CSR", as researchers use a wide variety of CSR activities as centre of their studies. In spite of this, Mark-Herbert and von Schantz (2007) found that CSR actions, independently of their nature, result in a key element for creating a strong brand when being effectively communicated. Similarly, a study conducted in 2009 by Conec Inc. (a US public relations and marketing agency) concluded 79% of consumers would switch to a brand associated with a good cause. Furthermore, information on a firm's sustainability performance, as well as enhancing its level of reliability through external parties, is positively associated with companies' market value, especially true during periods of economic uncertainty (Lackman et al., 2011). Firms are also adopting CSR as a core corporative element and communicating this to stakeholders, thus increasing the firm's positive image (Bronn and Vrioni, 2011).

2.2 Service sector and brand management

According to the latest World Bank Reports on Global Economic Prospects (World Bank, 2013), in terms of global economic development, the latest trends are towards abandoning the first two sectors, namely: agriculture and industry; orienting each national economy towards the service industry. The service sector is set on producing intangible goods, some of which have existed since the early modern age, e.g. education or health; while others have emerged with globalisation and recent market expansion, such as modern information and communications as well as business services.

Compared to industrial or agricultural goods, the delivery of services requires specific elements involving less material inputs (mainly raw materials) and more human capital. Therefore, there is a higher demand for skilled and capable workforce, with higher education, resulting in the need for higher investment on a national scale in public and private education. Moreover, a lower use of natural resources automatically diminishes the impact on the local, regional and global environment, thus reducing agriculture or industry's environmental footprint. It is therefore deemed relevant to analyse the behaviour of businesses in the service sector, and the relationships between them and their CSR actions (Baena and Cerviño, 2012).

Vargo and Lusch (2004) conducted a study focusing on the value-adding processes leading to creation of the customers' experiences (Berry, 2000; de Chernatony and Segal-Horn, 2003). In this context, branding is understood as a key factor that acts as an interface not only between the firm and end customers, but also the whole corporation in conjunction with its employees and stakeholder network. Academia refers to this approach as the 'service brand' (Berry, 2000; Dall'Olmo and De Chernatony, 2003). This concept does not imply the same as branding of services. However, the terminology is used in a similar way as "where the service-centred dominant logic represents a reoriented philosophy that is applicable to all marketing offerings, including those that involve tangible output (goods) and the process of service provision" (Vargo and Lusch, 2004, p.2). Consequently, service brand is an integrative concept; being 'service' superordinate to 'goods' and/or 'services' branding (Brodie et al., 2009).

Interactive marketing also contributes to the building of a service brand, and is mainly based on the interactions between the organisation's employees or network and the final customer. This is due to the fact that the creation of a service experience is based on the association of such experience with the promises regarding the service offer. In addition to marketing between the firm and consumers, there should be 'internal marketing', which implies that every individual working in the organisation (or closely collaborating with it) is convinced of the service provided to the general public. Along these lines, the creation of value is achieved by using processes and supporting resources, which create and deliver promises about the service offer. Related to the above discussion, we can argue that the marketing activities of the firm create brand perceptions in consumers, employees and other stakeholder groups. This allows us to consider the corporate brand as a combination of company image and reputation (Balmer and Gray, 2003).

Brodie et al. (2009) determine that positive experiences are associated with 'making of promises' which will result in building customer trust; while if the experience is negative and it does not correspond to what was promised; it will lead to a loss of customer's trust. Complementary to this, a study conducted by Interbrand (2013) establishes the importance of external auditing in providing additional veracity to the documents issued by firms. In sum, there should be a specific strategic approach with corresponding corporate policies and management practices that ensures a positive relation between corporate behaviour and customer trust (Sirdeshmukh et al., 2002). This is transmitted to consumers through sustainability reports, which can be conducted based on a firm's own criteria or following internationally accepted and recognised standards.

In the past decades, multiple new organisations related to sustainability were created to provide support and guidelines for reporting in terms of CSR. Among these, the GRI is one of the most popular. This non-profit organisation seeks to promote economic, environmental and social sustainability by providing firms and organisations with a comprehensive sustainability reporting framework (GRI, 2012, see www.globalreporting.org). Furthermore, GRI is supported by the 'Organisational Stakeholder Program'. It consists of 600 organisations from all around the world, providing funding for GRI's initiatives. Nevertheless, while GRI provides general guidelines for sustainability reporting, there is no external third-party auditing requirement for reports conducted under GRI guidelines. In addition to the GRI, the International Organisation for Standardisation (ISO) tackled sustainable development launching the ISO 26,000 in late 2010[1] (ISO, 2012, see http://www.iso.org/iso/home/standards/management-standards/iso26000.htm).

Another popular initiative among firms is the CDP, which is an independent non-profit organisation that promotes the reduction of greenhouse gas emissions and responsible water use (CDP, 2012, see www.cdproject.net/en-US/Pages/HomePage). In order to achieve its objectives, CDP provides tools to measure, disclose, manage and report environmental information. These constitute an essential element to accurately measure the firm's environmental responsibility, directly tackling one of the aspects identified by Elkington (1997). Furthermore, entities wishing to participate in CDP do so through investor membership or as signatories. In either case, companies joining the initiative seek to both, create opportunities to innovate and generate profit from sustainable products and/or services, as well as report on how they act to prevent climate change and water impacts in their business activities. Based on the previous arguments, we propose the following:

H1: Publishing CSR reports based on internationally accepted standards positively affects the company's brand awareness in the service sector.

2.3 Stakeholder engagement and brand management

As stated in the introduction section, CSR can be defined as the responsibilities a firm has towards its environment. Although there is no consensus on the definition, academia and practitioners agree that a company's accountabilities can be described along two lines: those required by law, including international and local regulations applicable, and any further voluntary actions to contribute to the community. The United Nations Organisation created the Global Compact, an organisation regulating firms' CSR actions, identifying human rights, labour rights, environment and anti-corruption reporting guidelines. The GRI emerged as a result of these guidelines, thus creating a framework for sustainability reporting.

1 Marketplace (branding, products and services)

The services sector is one of the most important contributors to the economies of developed countries. Past research analysed consumers in the service sector to better understand how they perceive brand reputation according to the information received about the brand and their expectations (Yoon et al., 1993). This research shows consumer attitude towards a brand and a company is consistent with the perception he/she has of the corporate reputation. Likewise, assessing value proposition that is offered to customers and employees leads researchers to the conclusion that there is external as well as internal branding and both need to analyse and strategise through a consistent lens.

Consumer decisions on non-CSR matters (for instance, whether to purchase a new service) are influenced by CSR activities; particularly in the case of CSR-sensitive publics (Klein and Dawar, 2004). Furthermore, Becker-Olsen et al. (2007) found that consumers' beliefs, attitudes and intentions can be improved by proactive CSR initiatives. Harrington (2008) deems the integration of CSR to be crucial in the engagement of stakeholders and thus in the creation and achievement of competitive advantage. Podnar and Golob (2007) perform a similar analysis and following an empirical study they reached the conclusion that consumers have a high level of expectation for firms comply with their ethical and philanthropic objectives in addition to their legal obligations. Furthermore, Sheikh and Beise-Zee (2011) found that both CSR and Cause-Related Marketing (CRM) have a constructive effect on consumer's attitude. However, the effect of firms showing their commitment to CSR by actively participating in international organisations related to CSR has yet to be assessed.

2 Corporate image

There have been several studies concerning the consistency between companies' policies and actions with their corporate image (Williams and Barrett, 2000). Dowling (1993) recognised the need to coordinate and align a firm's vision, corporate strategy, culture, organisational design and marketing communications. Along these lines, He and Li (2011) analysed service firms' brand management related to CSR actions and concluded customer's loyalty is higher towards firms perceived as more socially responsible.

Based on the abovementioned findings, it is understood that customers value companies that commit to social causes. Bronn and Vrioni (2001) stated that firms can increase their positive image by adopting CSR as a core corporative element and communicating this to the stakeholders. In line with these findings, Bigné-Alcáñiz et al. (2012) posited that image based on CSR has two core antecedents: credibility and altruistic contribution. These are factors that firms should take into account when incorporating socially responsible activities and practices. In conclusion, firms need to integrate CSR into their strategy, mission and culture as well as communicating it to their stakeholders and incorporating it into their actions.

Notwithstanding this, several authors pointed to an environment of general uncertainty which exists both in and around a company and that is achieved by the practice of three main strategies: confusion, fronting and posturing stakeholders. The confusion is derived internally from the complex nature of the corporate organisation, the reliance on decentralised decision-making processes and non-ethical management (Beder, 1997; Laufer, 2008). Confusion also occurs externally by the careful control and limits on the flow of information made available to external stakeholders. The second strategy, fronting, is carried out internally through the creation of ethics officers, ethics committees, representation of retained counsel, compliance officers and other agents, which 'represent' corporate enforcement of the social contract. On an external level, fronting is achieved by subordinate scapegoating or reverse whistle blowing. This strategy, along with confusion, is highly dependent on strong public relations and reputation management areas within the firm (Beder, 1997).

Finally, posturing is a strategy achieved through actively using a firm's public affairs department to present the firm as socio-environmentally caring without true commitment. Firms undertaking these strategies often are ruled by managers who are not concerned with ethical issues. In fact, in many cases these managers tacitly accept non-legal practices and do not enforce the philanthropic values which allegedly rule their corporations. This holds particularly true in the case of middle and lower management, as they are pressured to produce results independently of the means used for this purpose (Marquis and Toffel, 2012).

In short, as Greer and Bruno (1996, p.41) stated: "*Now they say they have changed. That they are spending money for the environment. That they will regulate and police themselves. That their technologies are safe. That their products help the poor. We urge you to look critically at their real world behaviour…*". Assessing the veracity and commitment of firms is virtually impossible without rigorous reporting methods, standards and, especially if there is a lack of external, third party verification and monitoring. That is, CSR reports require auditing, validation and verification; it is neither sufficiently scientific nor fair to evaluate the reports based on trust, intuition and speculation. Hence, we present the following hypothesis:

H2: Reported information which has been reviewed by third parties or external organisms such as the Global Reporting Initiative (GRI) organism is positively associated with the brand awareness of companies in the service sector.

3 Branding

Related to the association between firm's corporate names, the connection between reputation and strategy was firstly addressed by Fombrun and Shanley (1990). De Chernatony (1999) conceptualised brand building as a brand identity-reputation gap model of brand management, a process which minimises the mentioned gap. Based on this argument, Harris and De Chernatony (2001) determined stakeholders should be presented with a coherent brand identity, thus requiring greater emphasis on internal brand resources for an appropriate branding.

Corporate identity has several dimensions such as brand loyalty, corporate culture and brand awareness, among which occur several interactions that have been fully covered by several studies (see e.g. Balmer, 2001; Davies et al., 2001; Melewar and Karaosmanoglu, 2006; Balmer and Greyser, 2006). Additionally, the analysis of CMR on consumer attitude towards firms (Nan and Kwangjun, 2007), along with customer perception, of corporate image together constitutes core elements of interest (Kitchin, 2003; Lewis, 2003; Argenti and Druckenmiller, 2004). This is particularly true in the services sectors due to the dominance of the corporate brand (Yoon et al., 1993; LeBlanc and Nguyen, 1996; Davies et al., 2004). It helps to identify CSR as a clear brand awareness and enhancement driver (Middlemiss, 2003). Furthermore, a firm's marketing and CSR actions create a synergy with brand enhancement (Blumenthal and Bergstrom, 2003).

It is essential for firms to have a real commitment to CSR and not simply to create an image based on this, which is commonly known as 'greenwashing'. This results from a growing tendency of firms to create annual sustainability reports informing stakeholders about their environmental, health, safety and social actions which are illustrated, written and presented in such a way to maximise positive perceptions (Lydenberg, 2002). In spite of this, most of the reports are not considered true commitments and in most cases, they do not effectively assess the firm's behaviour. In fact, these reports are viewed as a way of making a firm's image and reputation, with no true substance or ethical values (Lydenberg, 2002). This, together with 'bluewashing' (i.e. masking a corporation's reputation through collaborations with the United Nations and its excellent social reputation) shows a lack of transparency and ethical values. All in all, firms engage in complex strategies and counter strategies which create confusion, lack of credibility, unclear corporate objectives, commitments and accomplishments, and deception of firm stakeholders.

Provided the facts aforementioned, private companies should justify and demonstrate a true commitment to society. This requirement is even greater in the case of state-owned organisations, which are constituted on the basis of social needs and in order to honour the social contract. It is therefore of greater importance for the state-owned organisations to show through their actions that they are fulfilling society's needs and welfare as well as their inherent nature (Lin and Germain, 2003). In a study by Nolan and Xiaoqiang (1999), a group of state-owned enterprises which adopted competitive market approaches and achieved high corporate growth were found to have improved brand image and positive brand awareness among consumers.

Concerning privately owned-companies, due to their for-profit nature, they are considered to have a more financial orientation as opposed to one oriented to fulfilling stakeholder's needs. In particular, private-oriented companies are seen to focus on only two elements of Carroll's (1991) pyramid of responsibilities (economic and legal responsibilities). In this sense, as the perception the society has in matters involving all of the elements of such a pyramid (philanthropic, ethical, legal and economic responsibilities) may affect a company's brand, we propose the following:

H3: Being a private-owned company is negatively associated with the company's brand awareness in the service sector.

3 Methodology

3.1 Analysis and sample description

The present study analyses the effect that publishing CSR reports based on internationally accepted standards has on brand awareness. It considers as the standards CDP and the International Standards Organisation ISO 26,000. Additionally, this paper evaluates the effect that using a third party to review such information has on a firm's brand awareness. Specifically, the GRI was used. Furthermore, the effect of being privately-owned versus state-owned, as well as the firm's Return on Assets (ROA) ratio, was considered.

The analysis of the set of hypotheses proposed in this study was conducted by computing OLS regression analysis. Sixteen most well-known service companies of Spani were selected, including a wide range of service-related sectors: i.e. travel services (Renfe and Iberia), entertainment and leisure (Meliá Group, NH), financial services (BSCH, La Caixa, Banco Sabadell, BBVA), retailers (El Corte Inglés), private security (Prosegur), insurance (Mafre), and energy providers (Gras Natural, Unión Fenosa, Iberdrola, Endesa, and Repsol-YPF). In order to provide conclusive evidence for firms providing services, firms from a wide variety of economic activities were incorporated.

3.2 Dependent variable

The firm's brand awareness (BRAND) was assessed by considering data from the last report published by the *Forum of Leading Spanish Brands* (*Foro de Marcas Renombradas Españolas* (FMRE), www.brandsofspain.com). According to the technical specifications of this report, the research takes its theoretical basis from the concepts developed by Simonson (1993), Herr et al. (1996), and Peterson et al. (1999). Using the concepts of fame, prestige and recognisability interchangeably, these researchers established two fundamental concepts for assessing and stimulating a brand's recognition: typicality and dominance. Typicality is the ability of a brand to elicit recall of its own product category (Simonson, 1993) or the strength of the brand-to-category association (Herr et al., 1996). Dominance is a brand's ability to generate specific recall from a product/service category (Simonson, 1993), or the strength of the category-to-brand association (Herr et al., 1996). Peterson et al. (1999) applied the concepts of typicality and dominance to assess the public awareness of 28 brands, using a survey of 464 participants. With a sample of 4800 people, the FMRE used the same method to assess the degree of fame and awareness of nearly 600 Spanish brands in 118 different product categories, including most of the major Spanish franchise brands. According to Peterson et al. (1999), a firm's brand awareness score is the combined average score of the typicality and dominance rates. On the basis of the survey data, it can be argued that brands with higher scores are more famous or well-known than brands with lower scores.

3.3 Independent and control variables

Several variables were taken into account to evaluate the effect that internationally accepted standards have on a company's brand awareness (BRAND). Of particular significance was the importance of third party verification of information that companies publish in order to create a solid base of information that consumers can trust (Interbrand, 2013). Considering that the GRI is the most influential organisation in terms of sustainability reporting, it was considered as a basis to assess whether firm's CSR reports were audited by third parties. Thus, a polytomous variable (GRIREVIEW) was created that takes a value of 3 in the case the firm only self-checks its report; a value of 2 for those reports which were checked by a third party; a value of 1 if it was reviewed by the GRI; and finally, a value of 0 if it was assessed by the OECD.

Concerning the internationally recognised certifications, it was determined that the ISO 26,000 certification, which provides guidelines on CSR reporting, is the element that may help firms to have an integrated sustainability management system (Pojasek, 2011). Hence, whether firms held the ISO 26,000 certification was also considered. More specifically, a dummy variable was elaborated (ISO 26,000) that takes a value of 1 if the firm conducts its sustainability reports and actions according to the recommendations and guidelines issued by the ISO and a value of 0, otherwise. Complementary to CSR reporting, the reports of greenhouse gas emissions were also considered as independent variable. In this sense, it is worth mentioning that there are no widely accepted standards and companies are not legally required to report emissions data. Recent literature shows how relevant is to have this information for stakeholders (Kauffmann et al. (2012). This variable was assessed through CDP, which represents investors with assets worth $78 trillion. Moreover, CDP uses surveys to standardise and aggregate data; making it the most important organisation which firms can join, with more than 4000 companies participating in 2012 (Randall, 2012). Therefore, based on data published on GRI reports and information disclosed on each of the corporation's official website considered in this study, a dummy variable was created (CDP), which takes a value of 1 if the firm participated in the CDP and 0 if it did not.

Finally, in conjunction with the above mentioned independent variables, this paper also explores the effect of a firm's ROA on its brand awareness. Data were obtained from corporate financial reports for late 2011.

4 Results

The descriptive statistics and correlation matrix are reported in Tables 1 and 2.

Table 1 Descriptive statistics

Variables	*Minimum*	*Maximum*	*Mean*	*Standard Deviation*
BRAND	30.000	99.000	72.725	18.4111
ISO26000	0.000	1.000	0.143	0.3631
GRIREVIEW	1.000	3.000	1.688	0.873
CDP	0.000	1.000	0.143	0.363
PRIVATE	0.000	1.000	0.380	0.506
ROA2010	0.000	0.000	0.060	0.097

Table 2 Correlation matrix

Variables	*Brand*	*ISO26000*	*GRIREVIEW*	*CDP*	*Private*	*ROA2010*
Brand	1.000	0.521	0.352	–0.245	–0.332	–0.437
ISO26000		1.000	–0.329	–0.222	0.241	–0.077
GRIREVIEW			1.000	–0.329	–0.166	–0.379
CDP				1.000	0.241	0.758
Private					1.000	0.573
ROA2010						1.000

As stated in the previous section, the analysis of the hypotheses proposed in this study was conducted by using OLS regression analysis to assess the elements that may influence brand awareness in terms of CSR. To test the existence of collinearity among the variables, the Variance Inflation Factor (VIF) and tolerance were computed. As shown in Table 3, none was statistically significant, suggesting that collinearity was not a problem in our regression models. Moreover, we calculated the determinant of the correlation matrix of each of the three models, finding a value of 1. In this way, we ruled out any problems of multicollinearity.

Table 3 Regression analysis

	Coefficient	*p-value*	*Tolerance*	*VIF*
Constant	49.861	0.003		
ISO26000	37.630	0.009	0.681	1.469
CDP	17.177	0.232	0.356	2.805
GRIREVIEW	13.091	0.034	0.677	1.478
Private	–15.562	0.147	0.517	1.934
ROA2010	–28.594	0.635	0.247	4.053

Notes: Dependent Variable: BRAND; R^2: 0.831, Adjusted R^2: 0.661, $F = 4.904$, p-value = 0.050.

Our findings show the proposed model is significant at the 0.005 level. This suggests that collectively the different independent and control variables tested in this study helps to explain the variation in Brand Awareness (BRAND). In particular, findings support the hypothesis H1 at the 0.01 level, confirming that holding an ISO 26,000 positively affects the company's brand awareness. Furthermore, H2 was supported at the 0.05 level. This determines that having CSR reports which are checked by third parties brings higher credibility to the report and the brand, thus positively affecting the firm's brand awareness.

Nevertheless, and contrary to expectations, our results show that being partially or totally state-owned is negatively associated with the company's brand awareness. Hence, H3 was not supported. Finally, the control variable, ROA, was not found to be significantly influential in a company's brand awareness.

5 Discussion and conclusions

Consumers value a firm's commitment to socio-environmental matters and have become increasingly more demanding with corporate actions. In the specific case of service companies, it is of greater importance to balance the TBL elements (people, planet and profit) to achieve sustainable development (Norman and MacDonald, 2004; Hacking and Guthrie, 2007; Venkatesh, 2010). Based on the Stakeholder theory, this study analyses the effect that a firm's honouring its social contract has on its brand awareness. According to this theoretical perspective, corporate socio-environmental actions are evaluated from each stakeholder group's perspective. Given the fact that brand awareness is considered to constitute a reflection of stakeholder perception of a company's actions, the present study sheds light on this matter.

In particular, our findings provide insights into the effects that CSR corporate commitment and effective reporting have on a company's brand awareness. In this sense, ISO 26,000 certification proves to be to be an element which positively influences consumer brand awareness. This certification is designed to assist organisations wishing to contribute to sustainable development, a feature that has also been previously evidenced as influential of consumer loyalty and high perceptions. Consequently, firms which operate in the service sector should consider investing in CSR activities and certifications (such as ISO 26,000) to accurately inform their stakeholders of their actions.

However, committing to the CDP initiative does not prove to be of influence on consumer brand awareness. This could be explained by the fact that even though the CDP is the group which represents investors with assets worth of \$78 trillion, having 4000 companies participating in 2012, this organisation still does not account for a large proportion of the world-wide entrepreneurial group. Additionally, the CDP organisation and certification applies directly to firms that have large emissions of CO^2 and environmental impact with their production process. Provided that the present study is focused on service firms, in general terms, the CDP certification does not prove to be of high relevance in this industry for stakeholders.

On another note, the present study reveals that the GRI review process may drive a firm's brand awareness. The present study assessed whether it would be more positive for firms to hold reports that have been certified by third parties in order to demonstrate greater transparency. Consumers have higher regard for reports which have been reviewed by external organisations compared to documents issued by the firm without any external confirmation. According to these findings, it is highly relevant for firms to satisfy stakeholders and improve the perception that they have of their brands by issuing third-party audited reports. In doing so, the firm provides a more transparent image, thus increasing the degree of trustworthiness that stakeholders hold towards it. Furthermore, reports issued by privately owned firms have been found to have a negative impact on brand awareness. Given the fact that state-owned organisations can tackle broader topics, influence greater communities and engage a greater number of stakeholders; these findings result consistent.

In sum, the present study provides insights which prove that brand awareness of service firms depends on various CRS indicators that managers may evaluate before selecting suitable management strategy. To the author's knowledge, no previous study exists that explores this topic. We hope it serves as a useful starting point for future researchers interested in addressing this issue.

However, this study has certain limitations that need to be dealt with by future research. First, the present study focuses on a single country (Spain) and a specific sector (service). It would be valuable for a future research to analyse companies from other nations and sectors of activity to test whether it is possible to generalise the results obtained in this paper. Second, conceptually and empirically more work is necessary to refine the model designed to identify the CSR variables driving a firm's brand awareness.

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Note

1 The ISO is the largest developer of voluntary International Standards on a global scale, most of which have become minimum requirements in many industries, such as the ISO 9,001 (quality management) or ISO 14,001 (environmental management). The organization commonly creates guidelines for implementation, followed by a certification related to the matter.