

Abstract

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The Importance of Corporate Social Performance in Place Branding of Retail Banks in Egypt

Purpose Branding issues are becoming increasingly complex & Corporate Social Performance (CSP) is growing in importance for both companies & customers. Customers perceive brands as a promise that should be kept while CSP implicitly is about keeping a promise between companies & their societies. In place marketing, the place product must be adapted to fit the needs of place customers. The overall targets of a place can be reached only when this task has been fulfilled. Each place should define & communicate its special features & competitive advantages effectively. Proponents of CSP advise companies to proactively acknowledge the interests of stakeholders & integrate their voice in corporate decisions. Design/methodology/approach This study focuses on the relationship between CSP measures & place branding through enhancing brand equity. The study aims at filling this literature gap in a Middle East context, namely Egypt. Survey-based methodology was followed from two points of view. From bankers' point of view to measure CSP & from investors' point of view to measure brand equity of two Egyptian-based retail banks which are listed in the CASE (Cairo & Alexandria Stock Exchange). A total of two hundred & twenty self-administered surveys were distributed among bankers & investors of the two retail banks. Findings It appears to be that CSR agenda in emerging economies is mainly driven by the 'outside' forces such as pressure of international financial institutions, pressures from international buyers & parent companies. There is real concern that such imposition from 'outside' (ignoring the local context) will only encourage passive compliance without any effective change on the ground in terms of greater corporate accountability & transparency. Research limitations/implications Some limitations should be addressed in this research. A Longitudinal study could investigate how customers perceive banks' brands in Egypt & whether not they value banks applying CSP. A qualitative study is required to explore factors affecting consumers' perception of banking services brands & to better explain consumers' attitudes & behaviours towards banks adopting corporate social responsibility. In addition, a quantitative study should be conducted on a larger sample to be more representative of the population & to generalize findings within the banking sector. Practical implications Results yield useful insights to both academics, & corporate & brand practitioners about the importance of synthesizing brand equity of a place with CSP in the banking sector. Social implications Results depicted that we cannot have two standards, one for society & one for companies. Both must promote good morals & ethics. Therefore, if the individuals themselves can conduct their businesses in an ethical & sustainable manner, then the company will inevitably conform to any external CSP standard that will be utilized in the development of the welfare of the society. Originality/value This research addressed the relationship between CSP & place branding. There is a limited literature in this domain. Therefore, the contribution of this research is to draw a model that investigate the relationship between applying CSP & place branding through improving brand equity on retail banks in a developing country, namely Egypt. Results of this research might be of interest to companies, practitioners, & society concerning the application of corporate social responsibility.