

# **SUSTAINABLE MARKETING OF CSR THROUGH EMPLOYEE VOLUNTEERING: THE TESCO EXPERIENCE**

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## **ABSTRACT:**

The case offers an understanding of the promotional efforts of a global retail major Tesco in its Corporate Social Responsibility (CSR) initiatives at Tesco Bengaluru. The case highlights how a global retail and technology operations centre of Tesco is contributing positively towards the community and society at large. And how it is sustainably promoting the idea of CSR among its employees to make a difference in the society. Every year, Tesco Bengaluru conducts employee driven CSR programs where the company encourages its employees to contribute and be a part of the CSR initiatives. The colleague volunteering at Tesco has helped the company achieve its goal of involving employees to understand the impact the company makes to improve the lives of the communities they serve and sustain the interest level of the employees towards CSR. Employee volunteering has proved to be a win – win situation for the organization and the communities.

**KEYWORDS:** Corporate Social Responsibility (CSR), Employee Volunteering, Promotion, Marketing.

## **BACKGROUND:**

Tesco, one of the global retail giant has been making efforts for decades to improve the lives of its stakeholders. Service and community development is at the heart of Tesco strategy. Having served the community over the several decades, Tesco plans to initiate one of the unique ways to engage its employees in its CSR vision and make every employee a part of its community outreach program. “Every little help makes a big difference” is one of Tesco’s core values and giving back to the communities has been one of the organization’s key performance indicators. But integration of its CSR vision with each individual employee has been a cherished mission

of the company. Tesco, Bengaluru was about to take a massive step, utilizing its CSR budget on awareness, sensitization, promotion and advertisement on bringing every employee in the organization on board to share the vision of Tesco CSR and contribute meaningfully in individual capacity for a sense of personal fulfillment and community development.

### **TESCO'S LEGACY:**

Tesco is a global retailer founded in 1919 from a market stall in London. The business of the company has grown manifold having a presence worldwide, employing close to half a million people and serving millions of customers every week. The company runs over 6000 stores including franchises worldwide. The total sale of Tesco is over £ 73 billion (as on October 2020) and total trading profit of the company is over £ 1.5 billion. This makes Tesco the top retailer in the UK and one of the top retailers globally.

### **TESCO BENGALURU, INDIA:**

Tesco started its operation in May, 2004 at Bengaluru in India as Tesco Hindustan Service Centre (HSC). Tesco Bengaluru is the operations and technology centre for Tesco worldwide and builds world class technology products and platforms, design stores and manage Finance and Retail Operations. The range of work at Tesco Bengaluru covers the entire spectrum of retail – Information Technology (IT), Business Services, Finance, Commercial & Supply Chain, Property Services and Enabling Services. Started in 2004 with 60 employees, today Tesco Bengaluru employs more than 5000 employees.

In 2008, Tesco entered into an agreement with Trent Limited, a Tata Group company, to form a Joint Venture Company, Trent Hypermarket Limited (THL), wherein Tesco holds a stake of 50%. Trent Hypermarket Limited (THL) operates multi-format hypermarket chain in India under the name Star Bazaar. Currently, it operates 11 hypermarket stores and offers more than 30,000 items ranging from fresh food, grocery, apparel, general merchandise and consumer durables. Tesco has entered into an agreement with Trent Limited to supply merchandise and provide technical knowhow to Trent Hypermarket Limited.

### **CSR VISION OF TESCO:**

Built on the foundation of giving shoppers a better life and an easier way of living, Tesco has championed customer satisfaction since inception. Service and commitment is bedrock of Tesco philosophy. The business of Tesco Plc. was built with a simple mission: “to help everyone who shops with us enjoy a better quality of life and an easier way of living”. Tesco has carved the social ambition of:

- Reducing food waste globally
- Improving health and tackling global obesity crisis
- Create opportunities for millions of young people around the world

CSR vision of Tesco Bengaluru is driven by its global vision and is three pronged:

**Environment:** Sustainable- initiatives for a better world

**Education:** Up-skilling and supporting the learning of young adults from disadvantaged backgrounds

**Preventative healthcare:** health measures for disadvantaged communities

Tesco Bengaluru’s Corporate Social Responsibility initiatives focus on Environment, Preventative Healthcare and Education and its attention is divided on Volunteering, Funding, Individual Social Responsibility and Payroll Giving. A colleague-led core team works closely with the charity and implementation partners to create meaningful and sustainable programs ably guided by the CSR Core Committee. As a matter of fact the passion for giving back forms the foundation of employee volunteering. The employee colleagues engage across the range of CSR projects and support NGOs, through diverse volunteering activities. The focus on the human contribution gets a significant chunk of colleague population involved in CSR as active participants. From championing a large scale plantation drive to improving infrastructure in the community schools the colleagues own the initiative end-to-end. One of the most satisfying aspect is the direct impact each employee makes in real-time. The range of impact covers from making residents feel safe and secure to children whose lives are transformed by creativity and ideas. The opportunities are several for those who give back their time and effort. This inclusive participation not just employee experience enriching but it also yields positive results for the organization. Interestingly, Tesco Bengaluru has been running operations for the last 17 years.

Even before CSR became a legal mandate in 2013, Tesco had engaged locally with not-for-profits and charitable causes through events such as Joy of Giving Week, fund-raisers, and through payroll giving. Tesco Bengaluru's CSR strategy and themes have been derived from those of Tesco Group, and adapted to suit their business and marketing model.

### **CSR IN INDIA:**

India has a long rich history since ancient times of close business involvement in social causes and community welfare. For thousands of years in India, businesses have been engaged in social welfare activities; as a matter of fact certain kings mandated businesses to undertake social projects like digging wells, building reservoirs, patronizing art and music, sponsoring education amongst others. This through different ages has been changing its nature and functions, generally known as CSR. India flourished in business and trade for centuries leading to accumulation of excess private wealth. With increase in wealth a portion of it was diverted to social causes, though mostly unrecorded. Recorded history since 1800s testify long tradition of corporate philanthropy and industrial welfare in Indian businesses. Since 1990s there is a growing realization globally, that businesses have more responsibilities than just producing goods and services. It has also been observed that companies having genuine concern for society are favored by people and they show preference for their goods and services, in which businesses actively contribute to social welfare outside the realm of their normal business functions.

But, a majority of corporate social activities were disorganized and unplanned, did not have a vision or a clear budgetary allocation. It was merely an owner driven, circumstantial and sometimes crisis driven discretionary activities of the corporate. The most important change the people at large were expecting was a formal structure, a vision and social involvement, which a majority of businesses have kept ignoring in India. Tata Steel (TISCO) perhaps was the only exception to have formalized social responsibility in its business conduct. Therefore the corporate needed much more to do than they were in the past. After the IT boom in India many businesses in India viewed CSR pragmatically, therefore inducing a chunk of revenues in CSR activities and carving exclusive promotional strategies to make CSR a sustainable tool to build positive market perception.

Narayan Murthy, the iconic founder of Infosys the second largest IT company of India and an architect of CSR in India observed, "social responsibility is to create maximum shareholders

value working under the circumstances, where it is fair to all its stakeholders, workers, consumers, the community, government and the environment”.

### **PHILANTHROPY AS CSR IN INDIA:**

Historically, the philanthropy of businesses in India has resembled western philanthropy in being rooted in religious belief. Business practices in the 1900s that could be termed socially responsible took different forms: philanthropic donations to charity, service to the community, enhancing employee welfare and promoting religious conduct. Corporations may give funds to charitable or educational institutions and may argue for them as great humanitarian deeds, when in fact they are simply trying to buy community good will. The ideology of CSR in the 1950s was primarily based on an assumption of the obligation of business to society.

A relatively discretionary activity, traditionally CSR initiatives has been owner driven activity for the corporate in India, since most businesses big and small are family owned and managed. CSR has mostly been considered a charity/philanthropy work without attaching any strategic significance of it in company survival and growth. Therefore the companies have put in very little effort to make CSR a goal driven and a strategic activity. CSR in organizations have always lacked the promotional aspect among its internal stakeholders. Therefore Government in 2013 mandated businesses with a net worth of \$90 Million or \$180 Million or more in turnover or a net profit of \$9 Million or more have to spend 2% of their profits on CSR. After this legislation a lot of companies have started viewing CSR seriously and a few of them have embedded CSR with their business strategy. Progressively organizations are making organized marketing efforts to embed their CSR activities with organizational strategy and vision.

### **CORPORATE VOLUNTEERING IN CSR AS A PROMOTIONAL TOOL:**

Corporate volunteering of late has grown as an important vehicle to carry out social programs of businesses by its employees. It prescribes and promotes execution of community activities through employees, giving every employee to connect with the community and engage in activities of one's choice. While promotion in marketing refers to deployment of communicational channels to inform and educate the target audiences about the features and benefits of a product or service. This generally employs persuasion to convey the message. Persuasive communication helps marketers to create a distinctive impression in the minds of the

customers. The aim to leave a lasting impression about the brand and create the necessary awareness to generate sales and retain brand loyalty. Integration of well carved marketing promotion can assist the CSR initiative to achieve its primary mission of delivering care and compassion to stakeholders and communities at large. Marketing promotion can be even be covertly as a powerful tool to promote the CSR vision of the organization through its employees as the brand ambassadors of its community programs. Since more than 90% of Fortune 500 companies use employee volunteering programs, by expending employee efforts formally to perform community service and outreach activities on company time, a timely and robust promotional campaign can make corporate volunteering programs as an excellent tool for furthering the social commitment of the organization. There have been very positive feedback from employers and employees from all over the world when employees carry the corporate vision to the community. It is a win – win combination for the employees and the employers, Volunteering gives every volunteer an opportunity to pick an activity of interest that suits his interest and competence and for employers it is a cost effective and targeted approach to achieve its social objectives and effectively engage its employees. Since volunteering is a pro social behavior, businesses amply use it as employees do not see it as coercion and mostly see it as a social response. When packaged well with the right marketing tools managing a volunteer program can prove to be one of the vital metric on which a company's level of social responsibility can be evaluated by people in general.

#### **VOLUNTEERING AT TESCO BENGALURU:**

Tesco a global retailer set its foot in India in 2004 with its retail operations and technology centre. Tesco started its operations in India at a time CSR was not popular as a marketing strategy for a majority of businesses in India. And most of the businesses did not have formal CSR strategies or programs, even if a few had; they lacked direction and purpose. Tesco was one of the first MNCs in India to pursue social objectives simultaneously with business objectives. Social commitment and responsibility has been the bedrock of Tesco worldwide, and it is no different for India. Tesco's social commitment has been at its core since inception some 90 years ago. Tesco Bengaluru has been around for 17 years and has been consistently engaging with the communities since 2004. CSR has become a part of their values and therefore it is ingrained in the organizational culture. Tesco uses Big 6 metric to measure and track the CSR impact

regularly. Community service in its core<sup>4</sup> Tesco took this as an opportunity to involve its employees in its CSR vision. Involving employees gets them closer to the company CSR goals in one hand and their involvement makes stakeholders more responsive. The objective is to make each employee a spokesperson for the CSR vision of the company.

Volunteering by nature is not mandatory and the goal at Tesco is to encourage as many colleagues to give back to the communities that it serves. The company has set a target of 1.5 hours per colleague per year and they evaluate progress against this KPI every quarter. The core team of CSR volunteers meets every week to discuss and allocate responsibilities for events and programs that take place across the company. Be it a tree planting drive or a funding program to install e-toilets in the community spaces. These core team members are representatives from different businesses – Technology, Finance, Customer & Product, Channel, Property and Enabling Services. They prod and motivate colleagues to participate in events and activities that the team centrally decides on. The team is responsible for communicating the events and the outcomes and religiously ensure that all communication reaches all parts of the business and outside. Since the Corporate promotional team works closely with the CSR team it makes it easier to get these messages out. To achieve this goal they have a mix of colleagues with varied backgrounds. For example, there are accountants and auditors who work in the Finance team, then there are technology specialists in the Technology team, and also there are designers and 3D modelling experts in the Property team and business processing executives in the Channel and Customer teams to roll out the CSR programs.

### **The VOLUNTEERING AND PROMOTION CHALLENGE AT TESCO:**

Getting volunteers to promote the CSR vision is not without challenges. It is a constant endeavor and untiring efforts of the last 15 plus years to convince 4000 plus employees to part with their time in social activities. While some people were doubtful of the usefulness of such initiatives, others took it as a deviation from the company objectives and goals. Some went even a little further to claim that in a long run they might lose their jobs, since they are just doing peripheral activities and not their legitimate work. Since, employees in India in the past had never envisaged a role outside their workplace, particularly in the social service sphere. The job of social service was left to the Government and the Non Profit

organizations, while businesses focused only on profits and expansion. Employees were like cogs in the cycle of production and profits. Therefore designing and implementing an ecosystem of work and social work was untenable in the initial years of the 21<sup>st</sup> century for most of the corporate in India and therefore Tesco was no different. Notwithstanding the fact that a majority of the employees were graduates and university educated, the call to volunteer in social initiatives drew very few people to the CSR office, the assumption that a call for social service will drive people in numbers to the CSR front desk proved difficult than thought. The Tesco management and the CSR team were confident that they will gather the numbers from the existing pool of 4000 plus employees. Accordingly the plans were laid out and a roll out program was carved. The idea was to initiate the programs with 10 percent volunteers, roughly 450 employees and later scale it up with more volunteers joining the team. To everyone's surprise the response was quite contrary to expectations. The initial weeks saw only a few employees offering themselves for the envisaged CSR activities.

A few weeks later a robust promotional and outreach campaign made a sustained effort to draw people towards their program clicked. The program got an exceedingly good response from all the stakeholders internal and external. The volunteers increased manifold over a short span of time. Even the external stakeholders expressed their delight in seeing people getting directly engaged to improve their lives. Tesco Bengaluru organizes a month long CSR program mostly conceived, implemented and monitored by its employees. Today there are over 4000 employee volunteers keen to take the Tesco Bengaluru's mission forward anywhere and anytime. As a result Tesco Bengaluru was honored with the 'Best Corporate Social Responsibility Practices Award' at the 2016 Global CSR Excellence & Leadership Awards organized by the World CSR Congress. The key to their turnaround was the following six pronged KPIs:

1. Grow Sales
2. Customers recommend us and come back time and again

3. Colleagues recommend us as a great place to work
4. Community Volunteering
5. Improve operating cash flow
6. Improve operating costs

**APPENDIX:**

**EXHIBIT 1. THE TOP EMPLOYEE VOLUNTEERING ACTIVITIES ANNUALLY**

SI No.	Activities
1.	Afforestation initiatives with SayTrees Environmental Trust: Plant over 8000 trees every year
2.	Funding support for Sankara Eye Foundation’s community eye care program: Vision restoration surgeries supported for thousands of disadvantaged patients through Sankara Eye Foundation.
3.	‘School Adoption Model’, government schools are supported in the neighborhood of the office through sustained engagement aiming to help the learning levels of the students. These are government schools which are identified as needing assistance. Tesco Bengaluru supports the physical infrastructure of the school, supports with learning aids, and engages the students in co-curricular and extra-curricular activities such as digital literacy, sports, craft, music, language skills, and more. The company has funded infrastructure, civil works (playground levelling, painting the school, roofing, electrical and plumbing works), and other support such as the provision of drinking water and setting up of computer labs in schools.
4.	Organizing eye check-up camps in adopted government schools.
5.	Funding support for AkshayaPatra’s midday meal program: Kitchen equipment at AkshayaPatra’s kitchens that churn out nutritious mid-day meals for over 5000 schoolchildren every day

6.	Setting up of sustainable solar lights in different public spaces in villages, parks, schools and other charitable trusts.
7.	Fostering cleanliness and helping to keep garbage away stainless steel outdoor dustbins are installed in the Bengaluru area.
8.	Swachh Bharat monthly street cleaning drives, in the neighborhood of the office and in local villages in Bengaluru.
9.	Installation of e-toilets in public areas in Whitefield, and in government schools in the outskirts of Bengaluru.
10.	Funding support to Bangalore OniyavaraSevaCoota (BOSCO): supported BOSCO's bakery unit – which trains young boys in bakery skills as a source of employment.
11.	Funding support to Association for People With Disability's Spinal Cord Injury Centre, for mobility aids support and medical/surgical interventions
12.	Contributed to the Prime Minister's National Relief Fund (PMNRF) for disaster relief
13.	Setting up of water ATM in villages.
14.	Health Camp in schools covering thousands of school children
15.	Funded infrastructure, civil works and other support such as drinking water (playground levelling, painting the school, roofing, electrical and plumbing works) for government schools
16.	Sports mentoring and equipment for schools

**EXHIBIT 2. USEFUL LINKS FOR INFORMATION ON TESCO**

<b>Sl. No.</b>	<b>List of URL for CSR Information on Tesco Bengaluru</b>
<b>1.</b>	<a href="https://www.facebook.com/TescoBengaluru">https://www.facebook.com/TescoBengaluru</a>
<b>2.</b>	<a href="http://www.tescopl.com">www.tescopl.com</a> and <a href="http://www.tescobengaluru.com">www.tescobengaluru.com</a>

3.	<a href="http://indiacsr.in/tesco-bengaluru-plants-6500-saplings-together-with-local-communities/">http://indiacsr.in/tesco-bengaluru-plants-6500-saplings-together-with-local-communities/</a>
4.	<a href="http://indiacsr.in/tesco-bengaluru-plants-6500-saplings-together-with-local-communities/">http://indiacsr.in/tesco-bengaluru-plants-6500-saplings-together-with-local-communities/</a>
5.	<a href="http://indiacsr.in/tesco-bengaluru-organises-csr-month/">http://indiacsr.in/tesco-bengaluru-organises-csr-month/</a>
6.	<a href="http://www.worldcsrcongress.com/abp_csr/awardwinners2016.html">http://www.worldcsrcongress.com/abp_csr/awardwinners2016.html</a>
7.	<a href="http://blogs.economictimes.indiatimes.com/ResponsibleFuture/employee-volunteering-is-a-key-element-in-tescos-csr-efforts/">http://blogs.economictimes.indiatimes.com/ResponsibleFuture/employee-volunteering-is-a-key-element-in-tescos-csr-efforts/</a>
8.	<a href="http://paulwriter.com/tesco-bengaluru-installs-e-toilets-whitefield/">http://paulwriter.com/tesco-bengaluru-installs-e-toilets-whitefield/</a>
9.	<a href="http://rotary-bwc.org/rotary-csr-ideation-workshop-report/">http://rotary-bwc.org/rotary-csr-ideation-workshop-report/</a>

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