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Curating Corporate Social Responsibility.
The MoMA brought to Berlin by Deutsche Bank seen as marketing strategy\(^1\)

Peter Seele


Abstract

Corporate Social Responsibility (CSR) is a multisided, even chameleonic concept concerning stakeholders as well as shareholders. In this paper (unlike many ethical papers) CSR is presented as a marketing strategy (Liebl, 2002) to increase and optimize reputation, brand identity and stakeholder-communication. CSR communicates values and identity of a corporation to improve the perception of stakeholders, clients, consumers or last but not least employees. As an example to illustrate CSR in terms of cultural sponsoring the 2004 exhibition of the ‘Museum of Modern Art’ (MoMA) in Berlin, sponsored by ‘Deutsche Bank’ will be chosen because the ‘Deutsche Bank’ as an international investment bank as well as a local bank for private customers participates in the global competition of financial markets and serves as a local bank for local companies and private customers.

\(^1\)This paper is the elaboration of a talk presented at the EBEN Research Conference 2007, Finance and Society in Ethical Perspective, Bergamo, June 21-23.
The paper juxtaposes the two strategies and asks whether they are congruent and consistent. To construct this juxtaposition it is helpful to confront the moral CSR point of view with the marketing strategy point of view.

1. Departure Point: The Cry for Corporate Social Responsibility (CSR)

For business ethics there is nothing as valuable as a corporate scandal. One can say that business ethics is a result of corporate scandals. Enron for example, just to name the most eminent one which is always quoted when business ethics is on air. By now, the phenomena known as climate-change substitutes scandals more and more. The more scandals and catastrophes, the louder the cry for values, integrity, responsibility or regulation. Here CSR is a concept to give attention to different aspects of being responsible. Corporations begun to understand that the perception of themselves is of major importance for the acceptance of the corporation and its products and services. And even more important: Their identity is perceived much better, when the corporation acts responsible for society and environment. Social Responsibility – besides its function in a society with responsible citizens – became part of the marketing strategy and marketing experts begun to write about ‘how to make profit with common goods’ (Liebl, 2002). One parameter of crucial importance here is the region in terms of nation-state (and its jurisdiction and taxation), clusters and cities or just as geographical entity.

There are good reasons to assume that in today’s global world, the home base of the company increases importance in terms of quality of life for high qualified labour force as well as for suppliers or customers if they are present at the specific location for different reasons. Even if companies are acting in global networks they depend on an efficient region with qualified labour, reliable infrastructure and a prospering economic environment. It is to be observed that even companies that are not engaged in the region in economic terms often sponsor regional development strategies or local sports and culture activities.

This local/regional engagement proves the image of “homeless capitalism” wrong. Institutional economy and systematic studies on locational behaviour of companies show that relocation is not standard because the transaction costs in material as well as in socio-cultural respect are often underestimated.

Regional networking of large companies, like Nokia, has been studied. Innovation is a very important motive for such behaviour: qualified labour, specialized suppliers as well a research and development companies are important for innovation when available in the neighborhood. And hence, this combination of different cultures by diversity management promises synergies.

In particular, large companies present themselves culturally due to their ambitious architecture: The skylines of financial districts in the leading world cities are most visible.
2. Corporations and their responsibility for their social and cultural environment

The ethical approach proposed by business ethicists to regional and cultural embeddedness is rooted in cultural studies and philosophy. The discussion on corporate ethics (CE) focuses around the argument that an intact corporate culture is the pre-condition for the development of CE. Corporate culture is to be understood as the values, norms, and patterns of orientation that contribute to the employees' identification with their company (Corporate Identity) and the implementation of corporate moral standards (Noll, 2002).

On the whole, CE is based on concepts of moral values and ethical beliefs that are, for the most part, being followed for their own sake, thus forming the basis for an independent corporate responsibility.

Procedures of implementing and auditing ethical standards have been developed for the realization of CE, which are presently discussed as ‘EthikManagementSystem’ (Wieland/Grüninger, 2000), ‘Value-Based-Responsibility’ (Brink/Puell, 2002), or the ‘Concept of Corporate Responsibility’ (Enderle, 2004). The essential point here is that corporate responsibility is to be realized on multiple levels on the basis of economic, social, and ecological objectives on the one hand, and social accountability, corporate self-engagement, and external legal constraints on the other.

To illustrate practical participations in social responsibility some of the core concepts will be introduced here briefly.

2.1. Corporate Social Responsibility

Especially after the Enron and the Mobilcom cases voices became stronger to regulate corporations in a more strict way embed values and norms in to business practice. One of the most important concepts is the idea of Corporate Social Responsibility (CSR) implying not only to comply with legislation but also with all their stakeholders (Matten, 2007).

Particularly consumers have become increasingly sensitive to the CSR performance of the companies from which they buy their goods and services. These trends have contributed to the pressure on companies to operate in an economically, socially, and environmentally sustainable way (Caroll, 1991).

To actually deal with the interest of the stakeholders, it is important to install an auditing and reporting system. Several standards (AA1000, SA8000, ISO 14000, Global Compact just to name a few), have been introduced but the dilemma here is, that no standard is obligatory or has a legislative basis.
2.2. Corporate Citizenship

Corporate Citizenship is a label to describe the entity of a corporation as a member of the society that also has obligations and responsibilities (Breger, 2006). Social cooperation and social responsibility are terms very close to corporate citizenship and it is not always clear how to differentiate them in detail. The core question behind the term is: What responsibilities do corporations have? And who in the corporation is responsible?

2.3. Corporate Cultural Affairs

Corporate Cultural Affairs are arrangements for a corporation to take up responsibility in society. Cultural affairs here means to sponsor and participate in the cultural life of a society (Benthin/Vandenhende, 2003). CCA are not to be mixed up with philanthropy because CCA do have a return on investment because they also work as a marketing tool for the communication strategy of the corporation. The case of MoMA illustrates very well the interdependence between volunteering and pay off.

2.4. Social Activity as communication and marketing

It is a widely underrepresented finding that social activity of corporations is not for purely altruistic, philanthropic reasons. Some corporations have foundations that serve a public interest but if the activity is financed from the running budget it by and large comes from the marketing budget. Social activity has to be seen from the corporations point of view as a tool for representing the corporation outside as it is done by classical advertisement.

The paper presented here will take up the moral challenge of how to do good marketing and do something good for society, which is the ‘riverbed’ of business operations.
3. The Case: The Deutsche Bank sponsoring the MoMA in Berlin

3.1. The Deutsche Bank

To understand the Deutsche Bank it is important to differentiate in two operational fields of the bank, that compete under the common roof of the brand Deutsche Bank.

3.1.1. Global level: corporate and investment banking

On the one hand there is the corporate and investment bank, that operates globally and that has its base in London and is lead by Anush Jain, an Indian born investment banker. Jain often is quoted with the intention to ‘Degermanize the Deutsche Bank’. This quote illustrates very well the need for the bank to operate on a global level and to remove the traditional, local entanglements. In economic terms the investment banking part is much more grave than the German based local part for private clients.

In self portrayal the investment part of the bank describes itself as follows: “The Corporate and Investment Bank Group Division, or CIB, is responsible for Deutsche Bank’s capital markets business, including the origination, sales and trading of capital markets products, together with our corporate advisory, corporate lending and transaction banking businesses.”

3.1.2. Local level: Private Clients and Asset Management

On the other hand there is the local bank for private clients and asset management, which appears in the media with advertisements for private clients and thus is much more visible than the investment part. CEO Ackermann has to moderate between the two poles and represents the bank in both worlds.

The MoMA in Berlin can be seen as an interesting case to reunite the interests of both poles under the common roof of the bank.

In self portrayal the private client part of the bank describes itself in other words: “The Private Clients and Asset Management Group Division, or PCAM, comprises Deutsche Bank’s investment management business, together with our traditional banking activities for private individuals and businesses. PCAM

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2http://www.db.com/en/content/company/ghp_cib.htm?ghplinks=ENG_cib_overview(22.2.2007).
comprises two Corporate Divisions: Asset and Wealth Management and Private & Business Clients.3

3.2. The MoMA

The Museum of Modern Art (MoMA) is one of the most important art museums in New York City and considered to be the leading museum of modern art in the world. The Museum was founded 1929 by Abby Rockefeller. Today the museum describes itself as follows:

“The Museum of Modern Art seeks to create a dialogue between the established and the experimental, the past and the present, in an environment that is responsive to the issues of modern and contemporary art, while being accessible to a public that ranges from scholars to young children. The ultimate purpose of the Museum declared at its founding was to acquire the best modern works of art. While quality remains the primary criterion, the Museum acknowledges and pursues a broader educational purpose: to build a collection which is more than an assemblage of masterworks, which provides a uniquely comprehensive survey of the unfolding modern movement in all visual media.”4

3.2.1. The MoMA in New York and why it came in Germany?

Besides the fact that it is a great opportunity to show the masterpieces of art in Europe and there in the ‘Neue Nationalgalerie’ in Berlin, there was a practical reason to organize the exhibition. The MoMA building was renovated extensively and the pictures had to be removed for the time of the exhibition. Therefore there was a necessity to find a place for the pictures to be stored in good condition. The best place for pictures to be stored is in the controlled climate of an exhibition hall. The ‘Neue Nationalgalerie’ planed by Ludwig Mies van der Rohe is an icon of ‘classical modernity’ in architecture and harmonizes with the art exhibited in the MoMA.

4 http://www.moma.org/about_moma/ (22.2.2007).
4. The Deutsche Bank as main sponsor bringing MoMA to Berlin: Strategic Benefits

The Deutsche Bank was the main sponsor to bring the MoMA to Berlin while the MoMA building in New York was renovated. It is unknown how much the Deutsche Bank paid for being the main sponsor. Anyway there is one specialty about the exhibition: It made profit. The exhibition calculated with 700,000 visitors, but in fact there were 1,2 Million tickets sold what made a profit of 6,5 Million Euro. But the profit was not for the sponsor, but for the Nationalmuseum. Therefore it is interesting to learn what benefits the Bank hat besides the publicity to sponsor one of the most received corporate volunteering activities.

4.1. Clients, Employees and Pro Bono: Invited students

The Deutsche Bank invited more than 3500 clients to the MoMA exhibition to Berlin. More than 5000 employees of the Deutsche Bank visited the exhibition for free and finally more than 1500 art students from Germany and near by Poland and students participating in ‘Hilfe zur Selbsthilfe’ (help to self-help) attended the exhibition in Berlin.

4.2. The Deutsche Bank résumé: The global and the local perspective

In the case of the MoMA exhibition of the Deutsche Bank it is fortunate to compare the local part of the bank (private clients in Germany) and the global part (investment banking) because both parts communicate in two different languages. On the homepage of the bank there are two resumes of the MoMA exhibition. One in German and one in English. Both have different focuses. To analyse the two focuses helps clarifying the two ethical strategies involved in the activity.

In the German version\(^5\) the bank emphasizes how much the engagement of the bank was accepted by the public, by the media and by the people. The bank, represented by Dr. Tessen von Haydebreck, member of the executive board, calls the exhibition a success-story and is proud that the bank has contributed to the success of it. Furthermore the German version links the pro bono aspect with

\(^5\)http://www.deutsche-bank.de /presse/ de/ content/ presse_informationen _2004 _2400.htm? month=7 (22.2.07).
the cultural affair programme by inviting students from Germany and Poland to
the exhibition and to Berlin.

In the English version⁶, that is related to a global audience, the emphasize is
quite different. Here it is not a member of the board that is cited, but the head of
the cultural programme Mr. Trümper who is quoted: “We are especially pleased
that among the more than one million enthusiastic visitors there were so many
young people and visitors from the region around Berlin as well as Germany’s
neighbours.” Here the regional aspect is strengthened as well as the international
one attracting people from outside Germany to the world-class exhibition in
Europe. As a final statement Mr. Trümper says that it is the bank’s goal to “enrich
cultural education throughout Germany”.

4.3. Spending time to spend Money: The MoMA Queue as indicator
for success of the marketing strategy

In marketing strategy it is accepted and prevailing to speak of attraction-
management (Pechlaner/Bieger, 2006). Marketing activities need to draw and
attract attention of the clients and consumers to the act. In the case of the MoMA
in Berlin there is a qualitative and a quantitative level of attention. As with
everything that is qualitative it is hard or almost impossible to measure and
evaluate the effects of the marketing activity properly.

In the case of the MoMA in Berlin evaluation is more transparent that with
other marketing activities: There was the calculated number of visitors to the
exhibition of 700,000 and actually 1.2 million visitors came to the Nationalgalerie
in Berlin. One effect of the many visitors was the queue of visitors waiting to get
in, that became a synonym of the exhibition: The MoMA-Queue ("MoMA-
Schlange") as it has been called by the media. Here a second indicator of
success comes in: the media reported extensively about the exhibition and the
MoMA-Queue as a cultural phenomenon. Articles have been written about the
queue and students selling their time waiting for someone willing to pay in the
queue.

The queue from a marketing point of view represents an empirical valid
evaluation of the success of the exhibition in two ways:
1. The queue itself represents the demand for the exhibition: it is a scarce good
with a bigger demand than supply. Obviously.
2. The queue as a story works as a vehicle to spread and communicate the
exhibition and along with it the engagement of Deutsche Bank.

Metadesign, the marketing communication agency that organized the
communication of the exhibition, stated: “MoMA in Berlin has set new standards
in the cultural landscape”. Furthermore they also identify the queue as symbol of

month=4 (22.2.07).
the success: “On each of the 186 exhibition days, a line wound round the exhibition building, sometimes several times over. This queue became a symbol of the show’s success and was itself a happening.”

Seen as attraction-management strategy the exhibition was a success (“MoMA is the star”) attracting many more people than expected. In the channel of the exhibition the sponsor also benefited from the exhibition as landmark in the cultural landscape.

Do document the story of the exhibition and the queue a press clipping has been made by metadesign, stating that more than 3600 MoMA articles were published – 500 in the international press.

The queue as a symbol undoubtedly indicates that the visitors accepted to wait several hours in the queue to enter into the exhibition following the philosophy of spending time to spend money.

5. Prospects on responsibility and marketing-strategy derived from the MoMA – Deutsche Bank Case

The paper ends with a prospect on the beneficial implementation of corporate social responsibility. The MoMA / Deutsche Bank case can be seen as a best practice example providing advantages for all players involved – namely the MoMA, Deutsche Bank, Nationalgalerie, City of Berlin and last but not least Metadesign.

Nevertheless it remains to ask critically if the exhibition should not have been made possible by the convectors alone because it was profitable and a sponsor would not have been necessary in economic terms?

Taking up the idea that the MoMA in Berlin can be seen as a best practice model of how a global bank with a global and a second local face like the Deutsche Bank acts as a responsible corporate citizen and achieves a successful communication strategy at the same time. What are the outlines to develop a valuable CSR strategy that implies benefits for the shareholders as well as for the stakeholder? Any CSR strategy that only focuses on one of the two poles (entirely stakeholder oriented philanthropy or totally communication strategy focussed) is misleading. The common ground, the third between corporations and society is mutual responsibility that governs scopes of action for both spheres and thus makes any CSR marketing strategy authentic and believable.

Responsibility - as the term etymologically and communicational indicates – is a two-sided phenomena creating a balance of relationship between the participating parties.

http://www.metadesign.de/download/metamagazin/9_MetaMagazIn_O4_MoMA.pdf
Figure 1: The two sides of responsibility

![Diagram](source: personal elaboration and depiction.)

Responsibility of the corporation to increase its perception and reputation by increasing shareholder value, quality, reputation, brand value

Responsibility of the society as collective group to support collective goods such as culture, identity, education, values and norms

References


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