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**“TOGETHER LET’S MAKE THE WORLD MORE
BEAUTIFUL”: A CSR project by Garnier de L’Oréal**

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INTRODUCTION

This thesis will deal with the important issue of Corporate Social Responsibility which will be analyzed in relation to its effects on firm performance and reputation, as well as with its implications for the environment in which the firm is placed. With this regard, the thesis will present the Case of the project of CSR undertaken by Garnier de L'Oréal "Together let's make the world more beautiful", which is currently at its second year of realization and has already brought substantial benefits to the company.

Corporate Social Responsibility, also known as CSR, is an issue for most enterprises and is increasingly acquiring importance and interest since companies should not only be profitable tools, but also be responsible citizens. Corporate Social Responsibility can be defined as "the continuous commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" and it is a duty of every corporate which is called to protect the interest of the society at large.

Corporate Social Responsibility activities can deal with various themes and issues, and for this reason there is a lot of space for companies to develop their creativity and attention in this regard, and to broaden their scopes and boundaries to increasingly reach more people and serve even "higher" dimensions. Examples of companies will be exposed, hinting at how effective such actions can be for the companies and for their value proposition, which has been often enriched by such efforts. It is important for firms to deeply understand the environment and the people that are constituting their surroundings in order not only to serve them through products or services, but also caring for social issues that touch their everyday lives, and it is straightforward to infer that such efforts may bring consistent benefits to the firm itself in terms of brand visibility, reputation, or even increase in sales and returns on investment.

My main interest in this thesis, is to present the topic of CSR with a special focus on its benefits for the firm, leaving aside as tacit and implicit the benefits brought to society. By providing such framework, I hope to be able to confirm what will be presented in the exposed literature, especially through displaying the case of Garnier with its CSR project mentioned above.

In the first chapter, I am going to present the topic of Corporate Social Responsibility, which is acquiring increasing relevance worldwide and is attracting the interest of both economic and social institutions, rising the awareness of consumers who now demand higher standards in what they purchase and in the service, they receive, in terms of sustainability, care for the environment and attention for social issues. Furthermore, in the same chapter, I will present the close connection of CSR to firm performance: this link is fundamental for understanding the underlying reasoning of companies while undertaking socially responsible corporate actions and helps us understand the real impact of such behaviors on the existing social and economic framework. In the second chapter, I will develop a further analysis on Corporate Social Responsibility, focusing the research on the Beauty sector, which is the one Garnier is operating in. To this aim, I will present the market through the employment of the Porter's Five Forces, and I will provide the Abell Matrix for Garnier beauty products: in this way I will be able to scan the competitive environment and show where the production of Garnier is placed in such market and in the minds of customers. In the same chapter, I will then present the case of interest of this thesis: the project "Together let's make the world more beautiful", undertaken by Garnier in collaboration with Moige, the Italian Movement of Parents, Carrefour and the Italian Institute of Packaging. The project is articulated in a 3 years framework and every year the company commits to devolving during a 30 days period (this year, from the 6th of March to the 6th of April) 50 eurocents for every Garnier product sold in a Carrefour store: money which will be employed to provide educational material on the theme of pollution and recycling of plastic to primary schools all over the Italian national territory. In this way, it will be possible to increase the awareness of children on such topic and to create a better future for Italy. This case was found extremely interesting, because of the great relevance of its scope and because of the importance of the theme of pollution and recycling of plastic for a company as L'Oréal. In the third chapter, conclusions from the case will be drawn, and it will be possible to underline the links found between the theory expressed in the first chapters, with the practical case of interest. The results of the last year (2016) project will be shown, and the expectations for the next years will be exposed, as well as with the projections and ambitions for the future, in accordance with the greatest context of "Sharing Beauty with All" of L'Oréal. All of this will be possible, especially thanks to the kind collaboration of the dr. Gilardi, responsible for the communication of Garnier, who took care of the project since its very start and who was extremely helpful and available in

providing further information about the case and in helping to address in the best way such issue.

CHAPTER 1:

1.1 Corporate Social Responsibility: definition and relevance

Corporate Social Responsibility can be defined as “the continuous commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large” and it is an increasingly relevant topic in the business environment, and not only. Companies have become more active in employing CSR in practice, and the driving force of this process is the increasing care of customers with respect to environmentally friendly products and services. A customer facing same-quality products offered by different brands, will be willing to purchase the one that knows to be environmentally friendly, or the one of the brand that he recognizes to be involved in CSR practices. The attention of a company towards being socially responsible entails the interaction between the firm itself and its stakeholders in a bidirectional way, being able to respond to the needs and requests of the latter and to build a dialogue with them. The main function of the so considered “socially responsible” firm is widened and considers the interests of the actors involved in the company’s activity. The term “stakeholder” was used for the first time by Edward Freeman: this new word intended to comprehend the individuals that can influence the reaching of the company’s goals or can be influenced by the firm’s actions. From this conceptualization, it is easier to understand what we mean now by Social Responsibility of an enterprise: the focus is on all the people that stand inside the firm, in its boundaries and even outside of them. Stakeholders can be divided among two categories, as Clarkson suggests: *primary stakeholders*, whose participation is fundamental for the survival of the enterprise (suppliers, consumers, investors, workers, financial institutions and so on), and *secondary stakeholders*, who are not essential for the survival of the firm but influence and are affected by its activities (competitors, media, public and political institutions). For a company to be long lasting and prosperous, it is necessary for it to be able to attract the best resources, to guarantee continuity and development of its economic activities, and to respond to the demands and expectations of its stakeholders, building relations of mutual trust and support. Corporate Social Responsibility identifies a company system which is broadened and based on fiduciary relations and it can be defined in many ways which integrate each other and can provide a useful description of its implications. CSR can be also defined as the “voluntary integration of the social and ecologic concerns of enterprises in their commercial operations

and in their relations with the involved parties” (European Commission, 2002). The UNIDO (United Nations Industrial Development Organization) defines CSR as “a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders”, and as a “way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders”. For such reason, the UNIDO makes an important distinction between CSR and charity, sponsorship or philanthropy. CSR can be a strategic business management concept, which goes well beyond its contributions to reduce poverty or increase brand reputation.

1.2 Triple Bottom Line and Carroll’s Pyramid

The approach taken by UNIDO is the Triple-Bottom Line approach, which is used as a framework for measuring and reporting corporate performance against economic, social and environmental performance. “It constitutes an attempt to align private enterprises to the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone. The perspective taken is that, for an organization to be sustainable, it must be financially secure, minimize (or ideally eliminate) its negative environmental impacts and act in conformity with societal expectations”. The above mentioned *Triple Bottom Line* is an expression which was introduced in 1997 by J. Elkington (1997) and reassumes the three main dimensions of Corporate Social Responsibility: Profit (economic dimension), People (social dimension) and Planet (environmental dimension).



Figure 1: Triple Bottom Line, J. Elkington, 1994

All these dimensions need to be considered in the objectives of a company for it to attain a long-term growth (Pogutz, 2007). Archie Carroll (1991) decomposed the concept of CSR setting up four hierarchical levels, building up a pyramid having at its basis the economic responsibility, and through the way up, legal, ethical and philanthropic responsibility.



Figure 2: Carroll's Pyramid, Carroll, 1991

The bottom of the pyramid, displaying the economic responsibilities, stands to indicate the importance of being profitable, which is the basic condition for a company's activity. Legal responsibility refers to the firm commitment to be respecting the law, which codifies what is considered as "right" or "wrong" for the society. Ethical responsibility alludes to being compliant with the social norms and values. At the top of the pyramid, the philanthropic responsibility implies the duty of being a good citizen, placing resources at the disposal of society and contributing to the improvement of the quality of life. In such context, economic and legal responsibilities are required by society, ethical responsibility is expected by society, and philanthropic responsibility is *desired* by society, and for this reason Carroll defines the philanthropic responsibilities as "voluntary", in the sense that the company can put them in action depending on its own choice and discretion. Increasingly more attention has been put on the topic of CSR for various reasons that range from the rising awareness

about the limited resources of our planet, to the transformation of the consumer who now demands more from a company when choosing what to buy or which services to select. A more diffused pattern of productive delocalization and globalization of the supply chain is making the CSR topic more relevant, as well as the escalation of scandals linked to the use of minors as workforce and to the lack of respect of the working norms established by the International Labor Organization. Therefore, it is increasingly important for companies to enhance transparency and traceability. Furthermore, not only consumers but also financial markets are requiring this kind of features, as the creation of the Dow Jones Sustainability Indexes demonstrates.

1.3 CSR: Dimensions and Theories

Corporate Social Responsibility issues can be grouped in five dimensions (Marc Vilanova, 2007) : *Vision*, *Community Relations*, *Workplace*, *Accountability* and *Marketplace*.

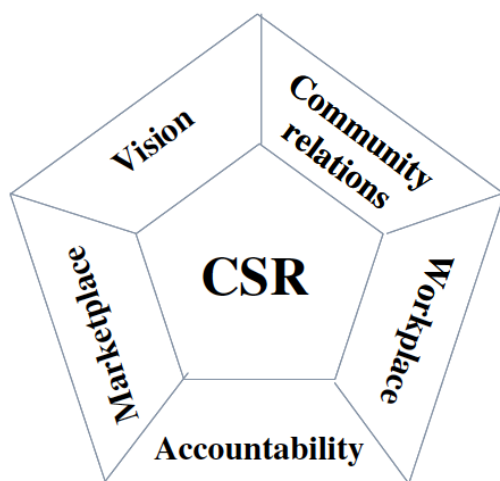


Figure 3: CSR dimensions (M. Vilanova, 2007)

The *vision* dimension includes the CSR conceptual development within the organization, governance, ethical codes, values and reputation. *Community relations* encompasses partnerships and collaborations with various stakeholders, corporate philanthropy and community action. The *workplace* dimension refers to labor practices and human rights issues. *Accountability* provides for corporate transparency, communication and reporting. And at last, *marketplace*, involves CSR practices which are directly related to business activities, such as: research and development, fair competition, pricing, marketing and

investment. There is a consistent debate on the fact that some companies may undertake CSR actions solely for a reputation perspective (“cosmetic approach”), while the CSR is presented in theory as a “central business issue that has a profound and widespread impact on most business operations” (Porter and Kramer, 2006). Anyway, many authors have suggested that competitiveness is one of the key drivers for adopting a Corporate Social Responsibility approach, and we will further develop this concept, asking ourselves how CSR efforts can be linked to increases in performance.

Therefore, even though the main objective of business is to earn profit, corporations should take initiatives towards the increase in welfare of the society and should perform their activities within the framework of environmental norms. In this process, the company has the aim to embrace responsibility for its actions and bring some positive impact on the surrounding environment, consumers, employees, communities, shareholders and all other members of the public sphere who can be considered as stakeholders. Corporate practices need a world structure to exceed imposed standards, go beyond present governments, and set goals for sustainable development. Multinational enterprises are responsive to the stakeholders’ needs and they must focus on productive stakes in the global economy and include social responsibility “which creates long-term sustainability for corporate success by meeting the needs of all suppliers, investors and employees”.

The CSR activities can cover a broad set of fields, ranging from the promotion of education to the reduction of children mortality, or from promotion of gender equality to ensuring environmental sustainability, and for this reason the actions brought out by companies are various and have different implications for stakeholders. For instance, regarding the theme of food waste, statistics are shocking; approximately one-third of food produced in the world gets lost or wasted every year, with food losses and waste amounting to roughly \$680 billion in industrialized countries and \$310 billion in developing countries, with fruit and vegetables having the highest wastage rates. The companies Chipotle and Intermarche responded to such issue launching an ingenious campaign “The Inglorious Fruit and Vegetable”, aimed at reducing waste of less-than-perfect looking food, by selling the “inglorious” products at a 30% discount, and heavily publicizing the initiative with posters and visuals. The results were great: the campaign took an expensive problem and turned it into a platform for opportunity. Another example is TOMS Shoes campaign “One for One”, thanks to which, for every pair of shoes sold, one pair of shoes would be given to a child in need. Starting from this campaign, TOMS was able to grow into a meritorious, socially responsible

organization, describing itself as a company that “helps address needs and advance health, education and economic opportunity for children and their communities around the world”. Furthermore, customers that hold positive beliefs about CSR of a company are associated with increased purchase likelihood and with a longer-term loyalty and advocacy behavior towards the company.

Corporate Social Responsibility gained importance with the New Companies Act of 2013: in the Section 135 of the Act, it is stated that “Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.” In this way, it is ensured that the company shall undertake efforts in CSR, through such CSR Committee which is appointed by the Board for this precise aim and which has the duty to select the activities to be undertaken and recommend the amount of expenditure to employ in such activities. The Board, has the responsibility to approve the Corporate Social Responsibility Policy for the company and disclose its contents in its report and on the company’s website, and then, to ensure that the activities included in the CSR Policy are undertaken by the company. Another task of the Board is to ensure that every financial year the company spends at least two per cent of the average net profits made during the three preceding financial years, and in the case it does not, it should provide explanation for such fact.

There are four groups of theories formulated about Corporate Social Responsibility: *instrumental*, *political*, *ethical* and *integrative theories*. *Instrumental* theories claim that efforts in CSR assume a fundamental strategic worth toward the reach of the corporate objective of creation of value, and therefore it follows that companies shall undertake CSR actions if and only if such actions will lead to an increased value for shareholders. Efforts in CSR, if well managed, can lead to the attainment of a competitive advantage sustainable over time. The *political* theories originate from the fact that the enterprise is a social institution which can exercise a direct power on the collectivity of which it is part. In such contest, the company becomes responsible towards all actors that are part of its environment, as it was well specified in the *Iron Law of Responsibility*, which states that in the long run, managers and entrepreneurs who do not use responsibly their power with respect to the society, will eventually lose it. Some experts argue that between the company and the society, a system of behavioral rules is established, based on a “social contract”; but since

the norms of the social contract mentioned above operate on two levels (micro and macro), the company behavior on the theme of CSR will be influenced by it at the micro and macro levels. The norms at the *macro* level are attributable to religious, political, philosophical and cultural values, that are shared by all the actors in the context. Adversely, the *micro* level social norms are constituted of the ethical and behavioral norms that are shared at the level of single economic community (productive district, sector, economic organizations), and from which specific responsibilities derive: for this reason, this kind of effort often leads to wider and more pervasive effects than the ones attributable to the macro level CSR. The *ethical* theories focus on the ethical needs that arise in the relationships among firms and between a firm and the society. Due to this relationship, the company is more than a tool for making profits: it is a mean through which men must strive to improve the conditions of their existence and the one of other humans, respecting the physical, environmental and social system inside of which the economic activity is carried on. Lastly, the *integrative* theories on CSR affirm that the company, to guarantee its own success, must correctly integrate its economic activity and the social issues raised by the collectivity. In this framework the company must consider the various social demands and unite them with its own socio-economic objectives. For this reason, the company must continuously examine the context in which it operates, carefully screening the needs and addressing the issues which demand to be considered in conducting a business. This overview of the main four theories on Corporate Social Responsibility is useful for understanding the study that has been undertaken on the topic and the extent to which this issue of CSR is considered in the business practice, as well as the various senses in which it can be regarded.

1.4 CSR and firm performance

We now turn to the debated issue of the influence that CSR actions may have on firm performance. We have already mentioned that CSR is “an investment into human capital, the environment and stakeholder relationships” (COM 2001, p.6) and companies are increasingly focusing on this topic. Researchers often argue that Corporate Social Responsibility can improve the competitiveness of a company, and this implies a long-term relation between CSR efforts and financial performance and success. Various researches have been conducted on the relationship between CSR and firm performance and the results appear to be mixed. The direct test between CSR and firm performance is imprecise, and

this is due to many factors that indirectly influence this relation. It is therefore necessary to develop a framework linking the CSR involvement of a company with the business and social outcomes.

1.4.1 Research on the link between CSR and Firm Performance

In the history of developing economics, CSR has been considered as a key factor in attaining economic goals and creation of wealth, and this explains the importance that was attributed to research on the link between firm performance and CSR.

A lot of research has been conducted on this relation, with many authors asking themselves whether the impact of CSR on financial success of a firm was direct or indirect and whether this connection was mediated by other significant variables. As already mentioned, direct tests between the two have led to imprecise and spurious outcomes, because of the influence of many factors that indirectly affect this relation.

Empirical research can be divided into two kinds: qualitative and quantitative.

- *Qualitative* research uses case studies or best practices examples to explore this existing link
- *Quantitative* research employs three main methods: portfolio studies comparison, event studies investigation and multiple regression studies.

Most qualitative research provided valuable insights about CSR benefits, rather than proofs of such relationship, while quantitative research often led to inconclusive results. The Margolis and Walsh (2003) meta-investigation of 127 multiple regression studies analyzing the relationship between “Corporate Social Performance” and “Corporate Financial Performance” (although presenting mixed result) has guided the researchers to conclude that a positive relationship between the two predominated. Under the theoretical research developed in such area, it was found that the impact of CSR on the economic performance of a company was dependent on the individual company’s strategy: therefore, if the company had already an environmental strategy which was orientated towards shareholder value, then that relationship was stronger than in the case it did not. Most studies have predicted customer satisfaction, reputation and competitive advantage to be three outcomes of CSR, and firm performance is in turn also positively affected by these three variables.

CSR has a positive association with the three determinants of company performance, which are monetary performance, personnel commitment and corporate integrity. It was also showed that more socially responsible companies tend to have stronger economic results: a fact that helps us explain the increasing attention of firms towards CSR practices and actions.

1.4.2 CSR benefits and KPIs

It is helpful to consider the benefits that the commitment in CSR can bring to the company, and studies have been conducted both empirically and theoretically. Here a table is displayed showing examples of CSR business benefits from current research.

Type of research	Author(s)	CSR Business benefits
Theoretical research	Schaltegger & Burritt (2005)	Risk management; cost reduction; differentiation; positive influence on shareholder value; improved reputation & brand value; maintaining the license to operate
Theoretical research	Schaltegger & Figge (2000)	Efficiency gains; differentiation; tax advantages; financing advantages; risk reduction
Theoretical research with case examples	Heal (2005)	Risk management; efficiency gains; improved relations to regulators; improved brand value; improved employee productivity; reduced capital costs
Theoretical research with case examples	Nielinger (2003)	Market & product development; increased recruitment potential; risk management; image improvement
Theoretical research with case examples	Porter & van der Linde (1998)	Increased competitiveness through process and product benefits e.g., more efficient resource use, waste reduction
Case study research	Kong et al. (2002)	Market development; cost reduction; market share protection; long-term survival
Case study research	Rondinelli & London (2002)	Efficiency gains & cost reduction; improved competitiveness; resource preservation; image improvements; product development
Meta study of empirical research	Hansen (2004)	Reputation improvement with positive influence on customer acquisition & retention, employee attraction/motivation/retention, access to capital, license to operate; risk management; positive influence on stock price, return & revenues; cost decrease
Quantitative empirical research	Bertelsmann Stiftung (2005)	Employee motivation; improved reputation; meeting shareholder expectations; customer development
Quantitative (& qualitative) empirical research	Epstein & Roy (2001)	Avoidance of negative press, consumer boycotts & negative market influences; employee motivation; improved image & reputation; positive relations to regulators & stakeholders; efficiency gains & cost reductions; better capital access; increased market share
Quantitative empirical research	Turban & Greening (1997)	Increased company attractiveness for potential employees

Figure 4: Examples of CSR business benefits from current research (M. Weber, 2008)

From this set of researches, it is possible to identify five main areas of interest:

1. Effects on *Company image and reputation*: image is intended as the picture that people have in mind when thinking about a company, which is influenced by the communication messages, whether reputation is built upon experiences personally

felt by customers and by personal features and comprehends a value judgement by the stakeholders of the company. Image can change fast, whether reputation is built over time and is influenced by the constant performance and communication that is delivered over several years. Both reputation and image can have meaningful influence on firm competitiveness and performance.

2. Effects on *Employee motivation, retention and recruitment*: workers may be more encouraged in working in a certain company for various reasons that range from a good reputation to an interest in working in a good environment provided by a company which cares about CSR. Employees may also draw motivation from the participation in CSR activities, and such CSR actions may directly or indirectly affect how attractive a company is for potential future employees.
3. *Cost savings*: efficiency gains could result from various aspects, such as the improved contact with stakeholders, or improved access to capital thanks to the higher interest of investors due to sustainability issues.
4. *Revenue increases* from higher sales and market share: increases in sales can be achieved either directly (for instance, through a CSR-driven product or market development) or indirectly (through an improved brand image).
5. *CSR-related risk reduction or management*: such as avoidance of negative press or customers boycotts.

A CSR Impact model was developed, summing up all the benefits that we have underlined and summarizing the findings in current research. The model is presented in the following table:

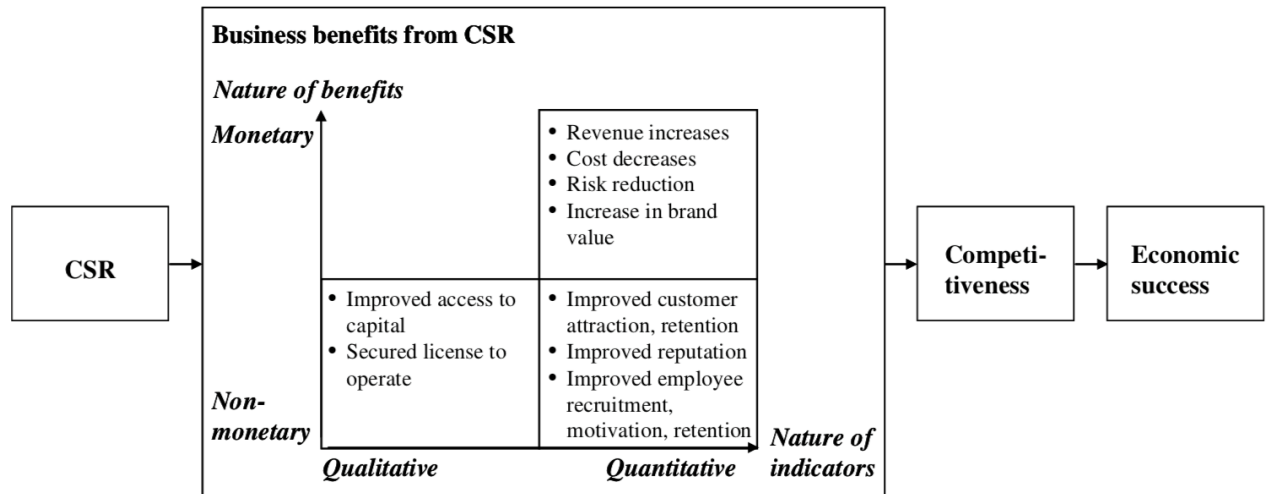


Figure 5: Business benefits from CSR (M.Weber, 2008)

As presented in the model, the benefits from CSR can be classified in Monetary and Non-monetary benefits. *Monetary benefits* include direct financial effects as well as benefits that do not directly lead to cash flows but can be still measured in monetary terms. A concrete example may be the increase in brand value due to CSR: in fact, the monetary direct financial effect can be seen only when the brand is sold, but it can be still considered as a monetary benefit that indicates an improvement in the market value of the company in monetary terms. *Non-monetary benefits* are not directly measured in monetary terms but still influence the company's competitiveness and financial success. Companies can assess non-monetary benefits using both quantitative and qualitative indicators: for instance, a quantitative indicator may be the change in repurchase rate, and a qualitative indicator may be the evaluation of customers attitudes. As it can be seen in the presented CSR Impact Model, Monetary benefits include revenue increases, cost decreases, risk reduction and increase in brand value. Non-monetary benefits that can be measured qualitatively include improved access to capital and securing a company's "license to operate" (based on social acceptance and mainly protected by maintaining good stakeholders relations). Quantitative indicators of non-monetary benefits comprise improved customer attraction and retention, improved reputation, improved employee recruitment, motivation and retention measured in terms of indicators such as repurchase rates, reputation indices or fluctuation rates. The fields in the model are interrelated among each other, since many benefits may lead to other positive

effects and so on: non-monetary qualitative benefits can also lead to monetary benefits in the future, and vice versa.

The following table presents good key performance indicators for CSR:

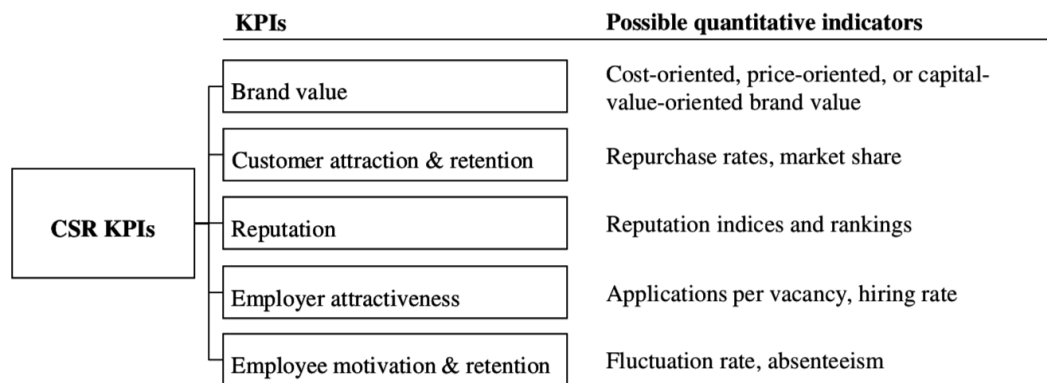


Figure 6: CSR KPIs (M.Weber, 2008)

1.4.3 Customer satisfaction, reputation and competitive advantage

As we have already mentioned, customer satisfaction, reputation and competitive advantage play a *mediating role* between CSR and firm performance: we can therefore say that the one between CSR and firm performance is a mediated rather than direct relationship.

Customer satisfaction and reputation are the main components of competitive advantage for a firm, and the three factors are positively related to the firm performance. Furthermore, an increase in such variables, due to CSR, can explain the positive results on firm performance. Customer satisfaction is the degree to which the firm's offers satisfy the customers' expectations, and an increase in customer satisfaction leads to higher levels of return on investment (ROI) by improving productivity. Reputation is built over time and is made up of the impressions of the stakeholders about the company. It strongly depends on the firm's effort to improve it and maintain it, and it was seen that a high reputation for a firm leads to higher growth of sales and returns on assets (ROA). More loyal customers, affected by both customer satisfaction and good reputation of the firm, will tend to purchase more frequently and in a greater amount, and are likely to buy even other kinds of products or services offered by the same firm (cross-buying). Hence, firm performance is not directly linked to customer satisfaction, but is rather mediated by some intervening variables: more satisfied customers lead to enhanced reputation, which increases sales growth, enhances competitive advantage

and finally lets the company enjoy higher levels of performance. Stakeholders are becoming more sophisticated and demanding on environmental and social issues and the competition is sharpening: there is growing demand for corporate transparency and social responsibility, and the best way to prove high levels of CSR and to increase customer satisfaction is to understand stakeholders' requests and accordingly design and implement their CSR. Firm reputation is a good indicator of whether customers are satisfied, and a good reputation acquired through increased customer satisfaction is a source of competitive advantage. Therefore, we can state that in the mediated relationship between CSR and firm performance, competitive advantage and reputation are mediating factors through the improvement in customer satisfaction.

For such reasons, in assessing the effects of the CSR campaign "Together let's make the world more beautiful" by Garnier (presented in Chapter 3), we will track customer satisfaction and reputation through the ROI (*Return on Investment*), ROA (*Return on Assets*) and ROS (*Return on Sales*) indicators, to evaluate the effects and results of the project on the company's performance.

CHAPTER 2

2.1 Corporate Social Responsibility in the beauty sector

The beauty sector is especially interested in CSR: this is because consumers are becoming more informed and increasingly aware of the effects of cosmetic and beauty products on their own skin and body and on the environment. The cosmetic industry is highly consumer oriented and therefore companies feel especially under pressure for the demands from society, thus increasingly engaging in CSR activities. In this context we can place Garnier de L'Oréal, but we will have a closer look at its efforts further on.

Organizations in the cosmetic sector are actively trying to engage in ethical, ecological and responsible business practices, and the words “organic”, “green” and “natural” are becoming more and more popular in the beauty industry, and the employment of CSR practices can considerably the relationship of customers with the company. The first cosmetic company to start socially responsible practices is The Body Shop, which was the first to publish a CSR report, in 1995: they described their activities about all kinds of themes, like testing on animals, ethical trade, human rights, planet protection, employee care and so on. In this way the company gained the trust of customers and differentiated itself from other companies. Now, the whole beauty industry wants to be ecological and socially aware. Anyway, the risk for the companies that undertake CSR activities is that they do so to follow the flow, and don't implement them successfully (“*greenwashing*”): therefore, the best way for a company to be trusted is for it to be transparent, and the best results are achieved when the CSR efforts are compatible with the entire business identity and mission. Communication is fundamental in CSR and the right channels must be adopted: The Internet plays a fundamental role, but it was also shown that most customers don't actively seek for CSR information, even when it refers to important issues. It is important for cosmetic companies to start communicating better, otherwise the confusion that may arise among customers may diminish the benefits generated by CSR.

Key CSR efforts are about greener development of formulations with a reduced ecological footprint, the use of more sustainable materials, water and energy, and to stop using unethical and harmful ingredients.

If people know that the product is socially responsible, they are more willing to choose it, given same quality among different brands

2.2 CSR efforts of L'Oréal

L'Oréal is the number one in the beauty industry and is an exemplar case for its strong commitment to social and environmental issues, carrying out various activities aimed at preserving the rights of women, avoiding excessive pollution and embodying ethical measures and values in all of their activities, allowing the Group to be perceived as a strong, well-integrated reality composed of many brands guided by the same objective: sharing beauty in all of its forms and promoting a tailor-made beauty which is shaped for each type of human diversity.

2.2.1 Who is L'Oréal

L'Oréal is a cosmetic company that was founded in 1909 and is headquartered in France. It is the first cosmetic group worldwide and counts 34 brands, over 150 countries. Its net operating profit in 2017 amounted to 4.68 billion euros, and it is increasing its relevance at a growing pace, also thanks to its new commitment with the program “Sharing beauty with all”, which we will consider in more depth further on. Market growth accelerated in 2017, according to the annual report, “stimulated by favorable demographic and sociological developments”¹. The most interesting results were on the makeup and skincare market categories, and the group has demonstrated a great strength thanks to its powerful and well-balanced value-creating business model. A considerable achievement for L'Oréal concerns sustainability: the company was recognized as the “top performing company” on Newsweek’s 2017 Global 500 Green Rankings and was awarded for the second year with three “A” ratings for their actions in fighting against climate change by CDP (the most respected authority on the issue of sustainability). The company also came as first in the “worldwide rankings on gender equality” among the companies rated by Equileap. The ambition of L'Oréal is to “have a positive impact on the environment and society”: this is consistent with the actions it is undertaking with respect to the Corporate Social Responsibility theme as well. The beauty market is constantly changing, due to the revelation of new needs, connected to topics such as urbanization or ageing of population. L'Oréal has unique expertise that was developed over 130 years, which allows it to understand the desires of every kind of customer and of every kind of beauty, all over the world. Among the reasons

¹ http://www.loreal-finance.com/en/annual-report-2017/LOreal_Rapport_Annuel_2017.pdf

for the company's success, there is the recognized "excellence of the environmental and social commitments", which is consistent with the topic of our focus in this thesis, which we will develop by taking a deeper look into the Garnier's project of CSR "Together let's make the world more beautiful".

2.2.2. "Sharing Beauty with All"

The mission of L'Oréal is "Beauty for All": "Offering all women and men worldwide the best of cosmetics innovation in terms of quality, efficacy and safety to satisfy all their desires and all their beauty needs in their infinite diversity". Furthermore, the ethical principles of the company are Integrity, Respect, Courage and Transparency and they play a great role in the Board of Directors work and in the activity of the L'Oréal group.

"Sharing Beauty with All" is a social and environmental program that was launched by L'Oréal in 2013, and which is aimed at making the company "exemplar" in terms of sustainable innovation, production and consumption, and in sharing this growth with all stakeholders. The commitment of L'Oréal with respect to sustainability, is to reach by 2020, a 100% improved environmental and social profile of its products: this will be achieved through reduction of environmental footprints of formulas, respect for biodiversity through a responsible and sustaining policy for raw materials, eco-design packaging and an engagement to zero deforestation. What the company is striving to do, is to empower its customers to make choices that are sustainable, and to do so, there are several approaches that the company employs, such as raising awareness among consumers, making a sustainable environment desirable and providing information on the social and environmental impact of products. Various programs promoted by the Group aim at promoting the access to work for underprivileged people, and the company focuses a lot in keeping its stakeholders informed, as well as offering its employees the best working environment in terms of health insurance coverage and social protection.

The L'Oréal Corporate Foundation is another clear example of the commitment of the Group in social issues: it was founded in 2007 to support women around the world through two programmes: "For Women in Science"- a programme carried out with UNESCO awarding five eminent researchers from five continents, and helping young women scientists in difficult moments of their career through the offer of scholarships- and "Beauty for a Better Life"- a programme offering free small business trainings in the beauty industry in France

to help people in hard employability conditions, and the creation of an Atelier providing some fast-track professional training to people having a background in hairstyling.

The “Sharing Beauty with All” has led to incredible positive results: as signaled by the 2017 annual report, 76% of new products that were analyzed have an improved environmental or social profile, 91% of brands have evaluated their environmental or social impact and 82% of the Group’s strategic suppliers have been assessed and selected based on their environmental and social performance. Accordingly, the company has achieved meaningful results in terms of waste and use of resources: 37% reduction in waste generation since 2005, 48% reduction in water consumption since 2005 and 73% reduction in CO₂ emissions in plants and distribution centers since 2005. The company is moreover employing the SPOT (Sustainable Product Optimisation Tool), as product assessment tool, which is allowing them to measure their progress in all of the areas of interest.

The following table illustrates the main objectives of the program “Sharing Beauty with All”²: these are tangible commitments of the company towards 2020 and engage and impact on the whole value chain of the company. As already mentioned, the engagements are divided into four pillars:

1. **Innovating** sustainably
2. **Producing** sustainably
3. **Living** sustainably
4. **Sharing growth** with employees, suppliers and the communities with which the company interacts.

Every year, L’Oréal measures its progresses quantitatively, and makes the results available to everyone: this enables the Group to maintain a continuous dialogue with its stakeholders, keeping up with a constant improvement that contributes to an increase in value and reputation of the company, that is perceived by its stakeholders as a responsible and devoted company, endlessly striving for melioration and progression. The dialogue established with stakeholders enables the company to share its sustainability strategy and co-create its initiatives. In 2017, L’Oréal consulted 110 NGOs, associations and academic experts, and this allowed the company to develop a sustainability plan which embodies all important issues ranging from ethics to philanthropic activities, permitting the company to contribute

² http://www.loreal-finance.com/docs/0000000180/LOreal_2017_Progress_Report_SBWA.pdf

to 14 of the 17 Sustainable Development Goals set up by the United Nations in 2015, which are listed down the graph.

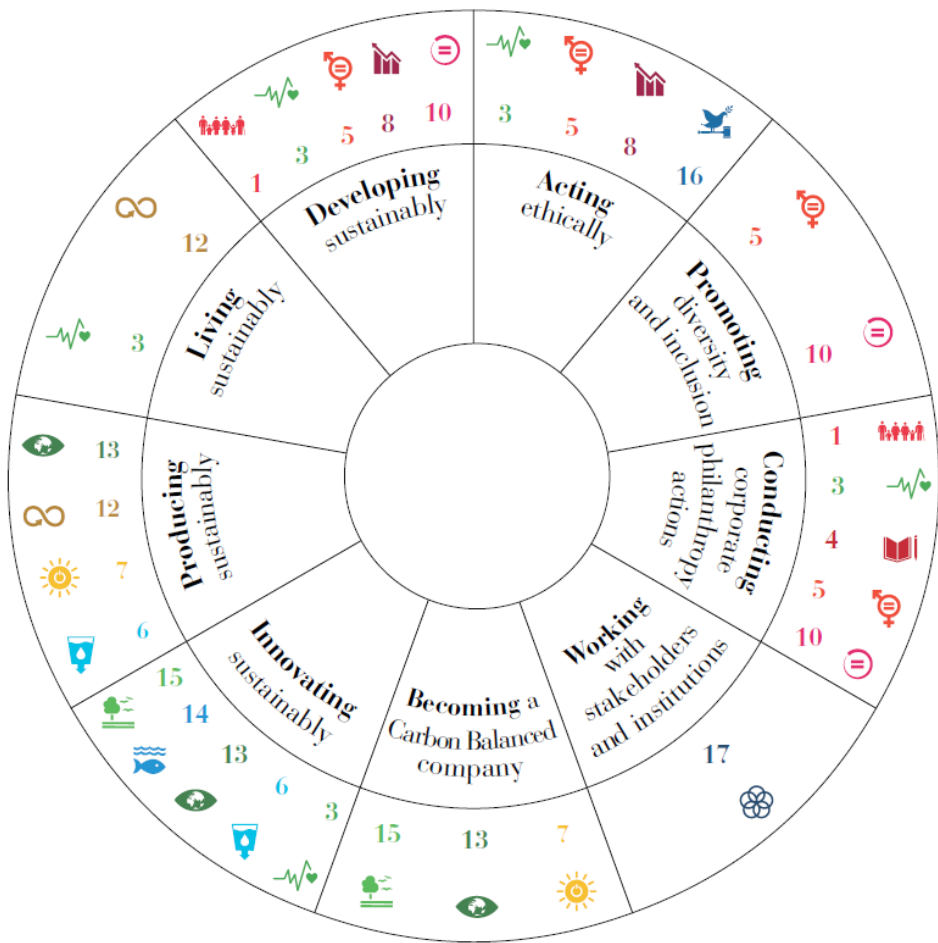
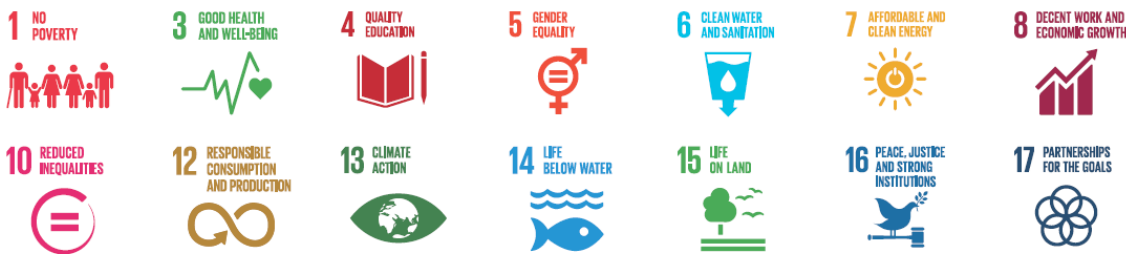


Figure 7: Sharing Beauty with All: sustainability dimensions (2017 Progress Report)



According to the Chairman and CEO of L'Oréal Jean-Paul Agon, the company was able to demonstrate that “economic performance and environmental, social and societal performance go hand in hand and are mutually reinforcing”³³. The interesting fact about L'Oréal, and one of its main strengths as a company, is the profound transformation it has undertaken across every area of its organization in making the programme of Sharing Beauty with All a “fundamental pillar” and a “strategic priority” for all the brands.

These achievements and goals constitute a source of pride, motivation and meaning for all L'Oréal employees, and make them proud and willing to take part to this important shift in culture of the company: this new reinvention provides for a great source of innovation and an amazing creative opportunity. New challenges and objective help the company keep its creative, ambitious and bold character, making it continuously attempt to improve. The joint effort with stakeholders allows the L'Oréal Group to amplify its impact and challenge them to do better, in the attempt of helping to solve the problems of the planet and sharing beauty with all.

2.3 Garnier

Garnier is part of the L'Oréal Group and is among the consumer products brands. The brand is the second one worldwide in terms of relevance and turnover. In Italy, it has a wide customer base accounting to 35 million consumers, and this implies a great responsibility for the brand in delivering a product which is conjugating innovation, excellence in performance (together with leadership in the development of formulas), and accessibility. The brand awareness of Garnier is good, but the brand is often associated with “isolated brands” that compose the company itself: for instance, Garnier Ultra Doux, or Garnier Fructis. Its main influence is over the Hair care sector, in which it counts 29 million customers in Italy. Anyway, in time, the company has built stability and has gained reputation in other categories also, such as Skin and Solar care (with the brand Ambre Solaire).

In the Consumer Product sector, of which Garnier is part, a major consideration shall be made: the consumer has changed and evolved and is now an “*augmented consumer*”. Due to the presence of smartphones and the evolution of technologies, the customer is now connected with the rest of the world in every moment, every day, and this is creating a

³³ http://www.loreal-finance.com/docs/0000000180/LOreal_2017_Progress_Report_SBWA.pdf: Editorial, p. 4

significant shift in the relationship among consumers and the company they are interacting with: the communication has become a real dialogue, and the points of contact between the two are now many more than they used to be. Following this change, distribution has become “omnichannel”, with digital sales and reach of customers over major digital platforms. The consumer product market is expected to keep on expanding, due to its upper-middle class target which is growing, the increasing “premiumization” of the categories, and the “democratization” thanks to the new technologies, in which the company is attentive to be present and active, as explained by A. Perakis-Valat, President of the Consumer Product division. In such context, the brand Garnier is expected by the Group to become the “future global champion in the natural category”⁴.

Garnier is an international brand for the care and beauty of Hair and Skin⁵ which was founded in France in 1904 with the launch of the first patented hair lotion based on plants by Alfred Amour Garnier. Through the years, Garnier has amplified its competence in cosmetics and has built its reputation as an expert company in beauty, offering treatments enriched with active natural elements to help protect hair and skin from external damages, pollution, imperfection, UV rays and fatigue. Studies on the brand image of Garnier have shown that the company is felt as “close to” and inspiring trust. What the customer asks the brand is “Give me self-confidence”, and in fact, what the brand is delivering is the solution for a *natural beauty*, which is not merely esthetical but rather holistic and focusing on the true “well-being” of the individual, who is always in contact with people and is feeling self-confident in the environment in which he is living. Garnier is about beauty at 360 degrees and is an extremely accessible brand, used by any kind of person and beauty. The sense of purpose of the brand is dominating every aspect of its operations, and the goal of Garnier is to turn from being a company that is using natural ingredients, to a **natural brand**. This strong commitment shapes its strategic orientation, and has led the brand to refuse, for instance, the production of antiaging cremes which require the employment of ingredients that are not entirely natural and therefore do not meet their standards and values. This commitment and goal is not only about formulas, but about the community and the people as well, as we will see later on when dealing with CSR actions undertaken by the brand.

⁴ http://www.loreal-finance.com/en/annual-report-2017/LOreal_Rapport_Annuel_2017.pdf

⁵ <http://www.garnier.it/il-cuore-di-garnier/chi-e-garnier>

As we have already stated, the main feature of Garnier stands in its formulas which are enhanced by elements derived from fruits, seeds, sprouts and flowers, defined by great beneficial properties. Beauty for Garnier is natural, and the brand is therefore striving to respect the environment and reduce the environmental footprint, by reducing continuously the environmental impact of its packaging and improving the biological profile of its products. Thanks to its 100 years of experience in the use of natural ingredients, the brand is now at a turning point: its distinctive abilities and know-how, its solid brand image which consumers spontaneously associate with natural products and its program for sustainable and fair-trade sourcing makes the company perfectly in tune with the programme “Sharing Beauty with All”. The company is in fact about to become the first major natural international brand specialized in skincare and haircare.

2.3.1 Garnier vision, mission and values

The vision of Garnier is stating that healthy beauty has the power to create connections, and this is in accordance with the mission of offering efficient, innovative haircare and skincare products inspired by nature and enhanced by the brand’s expertise for healthy-looking beauty that makes it easy to connect with others. Such aims and concept are well in line with the objective the company is posing for itself: becoming the first brand in terms of natural beauty, which is healthy and caring for the environment. Natural, spontaneous, authentic and positive: these are the attributes conferred to the brand by its customers, and through its actions, the company strives to reinforce the Customer Collection, through messages that can help the person to feel well with others and with his own self.

The values of Garnier are the following:

- *Naturality*: The nature is fundamental for the brand, and each of its product has the focus on its naturality and respect for the ingredients and components.
- *Efficiency*: The brand intends to deliver the highest value in terms of efficiency as well, presenting a high value product and serving in the most suitable way the needs of demanding customers.
- *Sincerity*: Being transparent and sincere is crucial for the company: it wants to deliver all relevant information to customers regarding the whole product, from the production process to the delivery in-store, and especially concerning its naturality and respect for the environment.

- *Generosity*: The brand commits itself in being generous with its contribution to the environment and through its commitment to serving customers with totally natural products.
- *Universality*: Garnier aims to increasingly broaden its area of interest, to cover the whole world, addressing each kind of customer and each kind of beauty.
- *Sustainability*: The brand's engagement to sustainability has been rewarded and acknowledged by customers as well as by institutions, and the brand is continuously striving to increase its action and contribution to reduction in pollution and care for environment, from the very first moment of sourcing, to the products' packaging.

The company actively seeks for new ingredients and procedures and meliorates its activities: Garnier blends a selection of carefully chosen fruits, seeds, buds and flowers (such as honey, olive oil, maple sap, pomegranate, shea, avocado) to create the most effective haircare and skincare formulas. Active natural ingredients are essential to who the brand is and its heritage of innovation: along its history, the brand has patented plant-based hair lotion La Lotion Garnier in 1904, Ultra Doux in 1980, the first Garnier skincare franchise based on vegetal extracts in 1980 and Fructis with active fruit concentrated in 1996. What the brand offers is a “natural healthy-looking beauty”: therefore, about the customer's best, most authentic self. The brand strongly believes that the modern beauty is natural and healthy-looking, and this belief has reason to stand, especially when thinking about the modern trends towards health and naturality. The proposed healthy and authentic beauty offers the customer the chance to express its unique personality. The confidence, dynamism and healthy good looks makes it possible for people to have real connections: this is another aim of the brand, to give people that warmth and natural appeal that bring people together, and therefore, Garnier beauty is not about vanity, but is about reaching out. Another important feature of the brand is that it provides for the latest care innovations at the most affordable, accessible prices. At last, the commitment of Garnier to future generations has led the brand to incur in actions in favor of the people of today and tomorrow, including programs that promote good skin health starting in childhood and projects conceived to aid children and families in emergency situations. In such context, our case of interest regarding the project “Together let's make the world more beautiful” is a great example of an action undertaken by the brand with respect to the education of kids on the topic of pollution and recycling of plastic, and we will later address this issue in more depth.

2.3.2 Garnier Porter 5 Forces and Positioning

To have a further look at the environment in which Garnier operates, we will now turn to the analysis of the model of Porter 5 Forces, to scan the competitiveness and position of the brand in such setting.

Threat of Entry: The threat of entry is relatively low for Garnier: the brand is part of the L'Oréal Group, and this gives the company an increased visibility and reputation, reason why it is difficult for new entrants to enter the beauty industry and constitute a meaningful threat for the brand. The industry is quite big and many strong competitors are operating in the field, and the cost for new entrants may be quite high, and a long time would be required to new firms to reach the level of economies of scale and reputation that Garnier has acquired over the years, and that cannot be replicated overnight.

Buyer Power: Retailers and wholesalers have little buyer power on Garnier: this is since the company is quite differentiated thanks to its interest in providing natural products and its concern for environmental issues that make it desired by customers. The industrial buyers of Garnier have therefore little or no incentive to switch to another brand, also because of the great reputation that is attached to Garnier itself.

Supplier Power: The supplier power is also quite low: the increasing attention on social and environmental topic is even increasing the control on suppliers, who now must meet special requirements to be kept operating for the company. Therefore, suppliers are unlikely to stop providing their service to Garnier, also due to the reputation that is provided to them by the brand itself, which is well-known and well-considered among customers and in society, also thanks to its sustainability care and CSR activities.

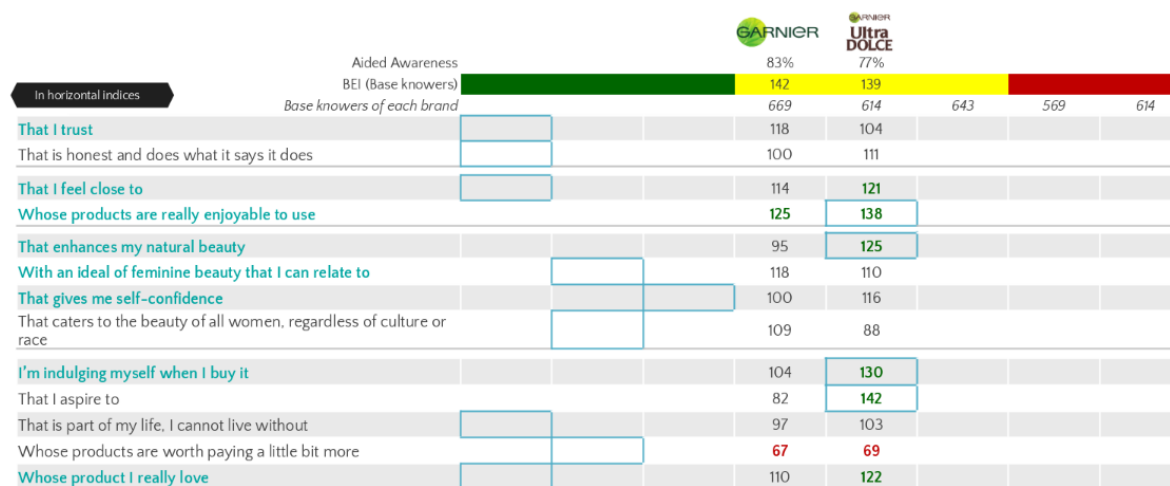
Threat of Substitutes: The threat of substitutes is quite low, since the main substitutes for such product would be either natural remedies different than shampoo, or eventually other kinds of means to keep your hair clear and your skin healthy. Hence, since the products offered by Garnier are already natural, people are less likely to switch to substitutes, since they feel as their requirement for natural and non-polluting products is satisfied.

Intensity of Rivalry: The main rivals of Garnier in the market in which it operates are: Pantene (Procter & Gamble) , Heads and Shoulders (Procter & Gamble) , Dove (Unilever) and Sunsilk (Unilever). Therefore, the intensity of rivalry can be considered medium sized.

This is because, as already mentioned, the brand enjoys the reputation and visibility derived from L'Oréal, and this provides it with greater chance of success in the market.

Therefore, it can be deduced that the position of Garnier in the competitive environment is quite favorable especially thanks to its belonging to the L'Oréal Group, which provides to it visibility and enhanced reputation.

To understand Garnier's positioning in Italy, a study was conducted in January 2018: the research looked at 800 women aged 16-75, which were considered as a nationally representative sample. For reasons of privacy the data about other brands cannot be disclosed, but the main results about Garnier were that it perceived as an enjoyable, safe, trustworthy and honest brand, close to its consumers. Ultra Dolce is particularly recognized on the Pleasure & Naturalness dimensions.



In the presented table, the number in green represent results that are “significantly higher than average”, and the numbers inside the box mean that the number one brand of the corresponding attribute on the column.

Garnier is felt as a brand that can be trusted, that people feel close to, whose products are enjoyable to use and enhance the natural beauty. Furthermore, the brand presents an ideal of feminine beauty the sample can relate to, and that gives the self-confidence. The Garnier products are really loved by consumers and the sample mostly indulges itself when buying it.

More strictly relating to Hair Care, which is the most important and popular segment of the Garnier activity, these are the perceptions about the main haircare brands: Garnier Ultra Doux and Garnier Fructis:

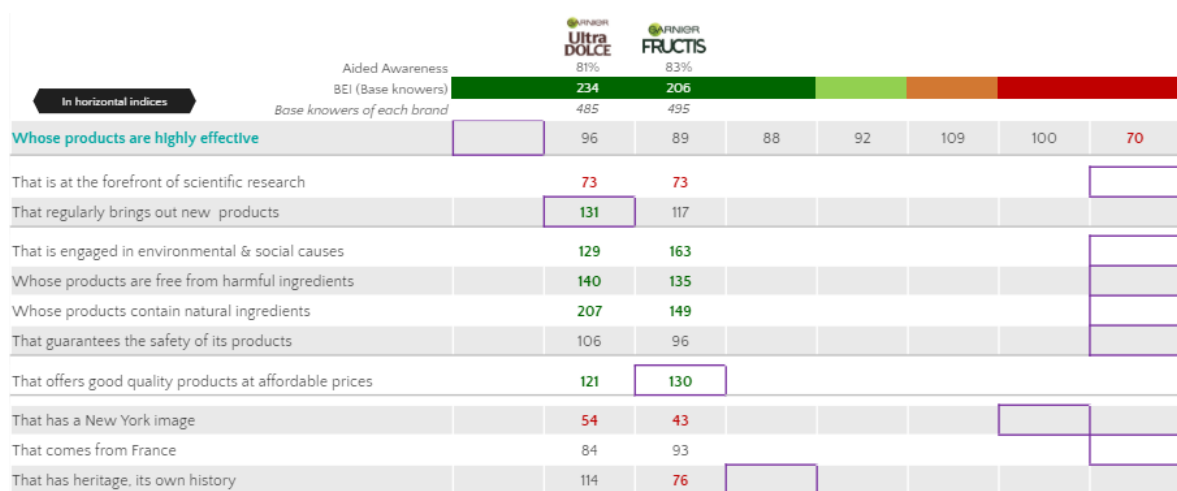


Figure 8: Research by gLOBE on the positioning of Garnier (Internal Source)

Ultra Doux is felt as a daughter brand that regularly brings out new products, while Fructis is mostly awarded with the attribute of offering good quality at good prices. It is important to stress that both daughter brands -Fructis and Ultra Doux- are felt as well-positioned on the natural and social commitment dimensions.

2.3.3 Garnier CSR

Garnier is undertaking various virtuous activities in terms of CSR and has undertaken various commitments that regard the most important activities of the company itself: *production, packaging and formulation of products*.

The first commitment of the brand regards the *production process*: Garnier is an active participant in the mission of the Group L'Oréal "Sharing Beauty with All", in which the Group commits itself to meliorate its practices along the whole value chain, from the research to production, sharing its growth with the communities in which it operates. A case of excellence in this field of "responsible production" is the plant in Settimo Torinese which mainly produces Garnier Fructis and Ultra Doux for the whole Europe. It is an exemplar plant, since it is the first in the world for unities produced among the 44 plants of the Group l'Oréal all over the world, and from July 2016, it has reached the important goal of "zero emissions", thanks to the use of combined renewable sources: a system of distric heating present on the territory of Settimo Torinese, a structure with 14.000 photovoltaic panels, a biomass power plant dedicated to L'Oréal and biogas for the generation of technological vape necessary for productive processes. This is an important and valid example of virtuous collaboration between companies and territory to create value and sustainable development.

Another important topic is *packaging*: through the adoption of recyclable and recycled plastic for the fabrication of the flacons of the products sold in the market. For instance, Garnier Fructis has renewed its product line, making its packages 100% recyclable: not only a new design to make the more attractive, but even a concrete commitment in favor of the environment.

Lastly, the *formulation of products*, through the increasing presence of natural ingredients and biodegradable formulas. The attention is as well placed on the *source of the ingredients*: the theme of *solidarity sourcing* is fundamental for the brand, and it implies the supply of natural ingredients through sustainable methods and renewable sources. For example, the Argan oil, the Shea butter, olive oil and cocoa, are all obtained through the collaboration with producers and local farmers who grow their own product in a responsible way, demonstrating a great attention to the respect of the environment and to the working conditions of their employees and partners.

Regarding the social and environmental sphere of attention, three themes are especially dear to Garnier: the environment, education and children, and all the commitments just stated contribute significantly to such care that Garnier has for the present and future of the society and world in which they are living. Starting from the environment – as it was presented already when mentioning the various commitments in production, packaging and formulation-, Garnier has committed to renovate the formulas of its products to augment the percentage of natural and biodegradable elements and also revising the formulas of “star products” to reach up to 96% of ingredients of natural origin for some of them. The brand has access to dedicated laboratories specialized in botanicals, which are screening natural ingredients for the company. Moreover, as we have mentioned, the brand is turning into a “*natural brand*”, meaning that its formulas, packaging and textures are becoming more natural every day. The ingredients are plant-based (avoiding therefore the use of synthetic ingredients) and the constant research for natural substitutes is still being carried on. This choice constitutes a constraint for the company, but it is the “price the brand must pay” to meet its demanding requirements, in the attempt to become more and more natural. The products have the same cosmetic properties as the classic versions, and they cannot be distinguished from their competitors: the great difference stands in the reduced environmental impact and in their natural properties. Consumers are increasingly looking for transparency on ingredients and natural products, and this is exactly what the brand is

delivering, demonstrating its engagement in ambitious goals it has posed in terms of increase in its environmental and social impact. The goal that Garnier has set regarding the packaging is to have all their packs made from recycled PET, and this purpose is slowed down mainly because of the recycling sector which is not developed enough yet to supply all the needed materials: therefore, the brand is using 30% recycled PET for the moment and is striving for improvement. The naturalness of the brand is a synonym of *effectiveness*: the philosophy of the company is to offer “the best of the two worlds”. The innovations and the uniqueness of Garnier goes well beyond its improvement of formulas, packaging and textures: the brand is developing a care which concerns all ethical dimensions of society as well, as we will consider concretely with the case of the project “Together let’s make the world more beautiful”, aimed at increasing awareness in children (and families) on the theme of pollution, which is especially dear to the company.

Natural also means *sustainable* and *responsible* for Garnier: the brand has decided to source all its natural ingredients in an equitable and respectful way for the planet. This refers to fair-trade sourcing projects that are carried on by the company that consist in working regularly with the suppliers that made the commitment to comply with their requirements about raw materials in terms of quality and respect for the environment. In such way, the company is characterized by a complete transparency and traceability of its ingredients. Fundamental the theme of *solidarity sourcing* – as already mentioned-, that implies the provision of natural ingredients or of natural origin through sustainable methods and coming from renewable sources.

Garnier cares about others: an important example is its support to UNICEF, which is the world’s leading organization in defending the rights of children. The brand collaborates with this association to create child-friendly space environment where young victims of natural disasters, conflicts, epidemics or global warming can benefit from emotional, social and psychological support and family reunification services (the countries in which the project is operating are Yemen, Bangladesh and Jordan). The “*fil rouge*” of all these efforts is the care and interest for future generations and education. The belief of Garnier is that it is vital to act today to ensure a better future for the upcoming generations, and therefore the aim of this project is to provide a secure and anxiety-free location for such kids “for them simply to be children”⁶. Three more countries are expected to join the partnership in 2018.

⁶ Master interview Delphine Viguier, Oct. 2017

Together with our project of interest, the brand has also started a campaign in primary schools about solar care, providing useful information on rules regarding the correct exposition to the sun, with the brand Ambre Solaire. This is another clear example of the strong commitment of the brand in providing education and sensitizing children from their early childhood, so that they can grow up with greater awareness and care.

The brand intends to grow and increase their market share so that they can achieve the important goals they have set for the company: investing more in R&D and sourcing to develop formulas that are more complex to be produced and more expensive. Garnier wants to become an entirely natural brand, including hair color which is complex, but it is committed to this “virtuous cycle” and will strive for succeeding in this mission.

CHAPTER 3: Case study: CSR project “Together let’s make the world more beautiful” by Garnier

We will now turn to the consideration and analysis of the case of interest: “Together let’s make the world more beautiful”: a project of Corporate Social Responsibility by Garnier in partnership with Carrefour, MOIGE (the Italian Parental Association) and COREPLA, the Italian Institute of Packaging. We will examine the project and estimate it in the context of the broader commitment of “Sharing Beauty with All” of L’Oréal, and thanks to the precious contribution of the Head of Communication of Garnier *dr. Gilardi*, who provided great insights on the birth and life of the project, we will be able to supply deeper knowledge on the results and expectation of the CSR effort for Garnier.

3.1 Overview of the project

“Together let’s make the world more beautiful” is a project that was ideated by MOIGE and Garnier, in partnership with Carrefour and the Italian Institute of Packaging: it aims to educate elementary school children on the important theme of recycling of plastic. This initiative is part of the bigger framework of the commitments of the brand to produce a smaller environmental impact, offering to consumers sustainable and accessible products, and encouraging them to make aware purchasing choices. The project (which has a three-years duration- 2017-2019) will involve 150.000 children (ranging from 6 to 10 years old) belonging to 500 primary schools over the Italian national territory. Through the project, 1.000 teachers will be included, together with 300.000 parents who will be informed through the participating schools. The educational campaign focuses on the topic of the sustainability of waste and recycling of plastic- a theme particularly dear to the L’Oréal Group-, realizing an informational itinerary on the knowledge of the life cycle of products and of their packaging. The children will be able to interact using didactic material and will participate to a contest which consists in the realization of drawings on the topic of the respect of the environment: this is a great way to favor the creativity of schoolkids and to understand the extent of awareness of kids on the presented issue, as well as their emotions and feelings in its regard. The objective is to provide and transmit the knowledge of the principles of pollution and recycling, maturing the consciousness of being able to act concretely in favor of the preservation of the environmental patrimony through some little everyday actions.



SOSTIENI IL PROGETTO GARNIER E CARREFOUR

"insieme rendiamo il mondo più bello,"

EDUCANDO I BAMBINI ALLA RACCOLTA DIFFERENZIATA E AL RICICLO

GARNIER DEVOLVERÀ
0,50€ PER OGNI SUO PRODOTTO ACQUISTATO
NEI PUNTI VENDITA CARREFOUR.



Figure 9: Flyer of the project "Together let's make the world more beautiful"

For a one-month period (last year, 2017, from the 1st of March to the 31st and this year, 2018, from the 6th of March to the 6th of April), for every Garnier product sold in a Carrefour store, 50 eurocents will be devolved to the project (creating a mechanics of **donorship**) : such money will be used to provide the educational material for the kids in elementary schools, to sensitize the actors of Italy's next future on the care of the environment and on the importance of recycling.

3.2 The idea

Garnier has always had a special care for the environment and natural ingredients, and its commitment ranges from the creation to the distribution of the product. In this regard, the brand has placed interest on the topic of pollution and recycling of plastic.

In March 2016, during a meeting with all the "top clients" of the L'Oréal Group, all the concrete commitments of the division of the company were presented, and the mass market management of Garnier had the chance to discuss with Carrefour, which is one of the top players in their distribution landscape: Carrefour had always had a strong commitment towards sustainability, and this first contact was useful and interesting, until when, in May

2016, the project was presented to the senior management of Carrefour and - from that moment on- the project was configured and brought on.

In identifying and realizing a project of Corporate Social Responsibility in Garnier, there must be first a discussion with the headquarter in Paris, a confrontation with the directorate and communication team, and with the strategic team, to ensure coherence with the values of the brand. At the same time, internally, there is at work the Corporate Communication of Garnier, which takes care of all institutional projects which stand above all 4 divisions of the Group, for instance “Sharing Beauty with All”. In this context, the project “Together let’s make the world more beautiful” was found in perfect line and as a perfect match with the commitments and goals of the “Sharing Beauty with All”.

Before starting the project, Garnier commissioned a research to the company *Eumetra*, to understand the extent of existing awareness of families on the theme of recycling, and on the good practices already employed. A sample on 800 families was taken and the results were quite interesting and suggesting the project to be a great solution.

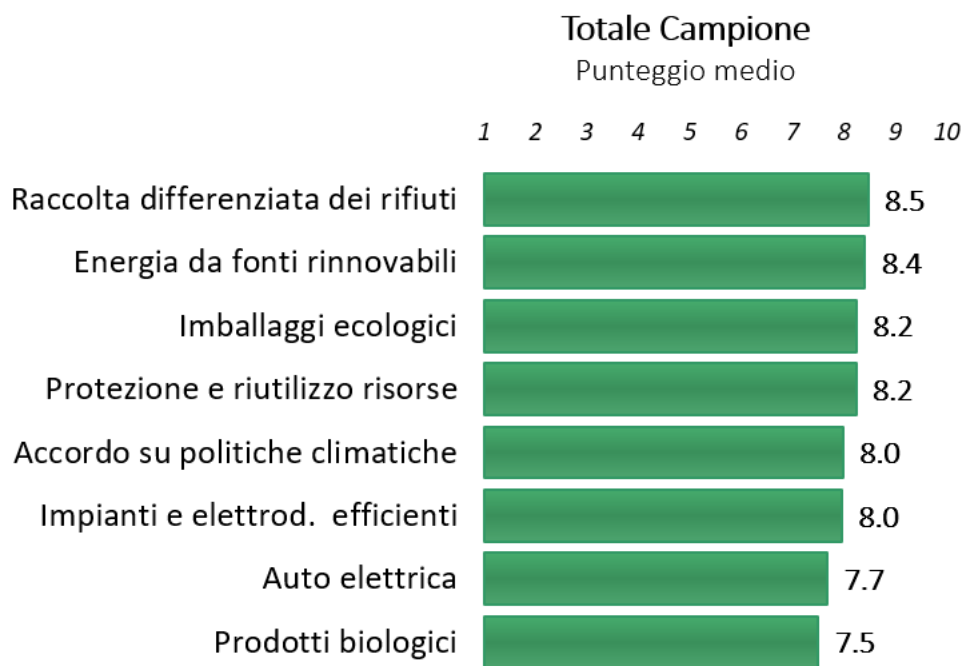
3.2.1 The Eumetra research

Garnier commissioned to the company Eumetra a *quantitative research* on the environmental sustainability according to Italians, to have a further insight on the degree of awareness and sensitivity on the topic of recycling. For such purpose, a sample of 800 families was interviewed through telephone calls, and the scenario in which the project was going to take place was depicted, gathering the perceptions on the theme of sustainability and on the habits in recycling and re-use of packaging. The research was conducted in January 2017 with the objective to assess the importance and significance of the project “Together let’s make the world more beautiful”, and this was done by “listening” directly to Italian families, to concretely understand the extent of awareness and care of Italian families on the topic of pollution. The activity of research was then turned to arrange the opinions on the worth of the initiative for the families, as well as to understand to which extent the already underway awareness-raising activities have transformed and modified the attitudes and behaviors of households.

3.2.2 The questions

Various questions were posed, and people were asked to reply with a number on a range of 1 to 10, where 1 meant “not at all” and 10 meant “a lot”. We will now present the most relevant answers and present the most significant results.

Which initiatives contrast the degradation of the environment?

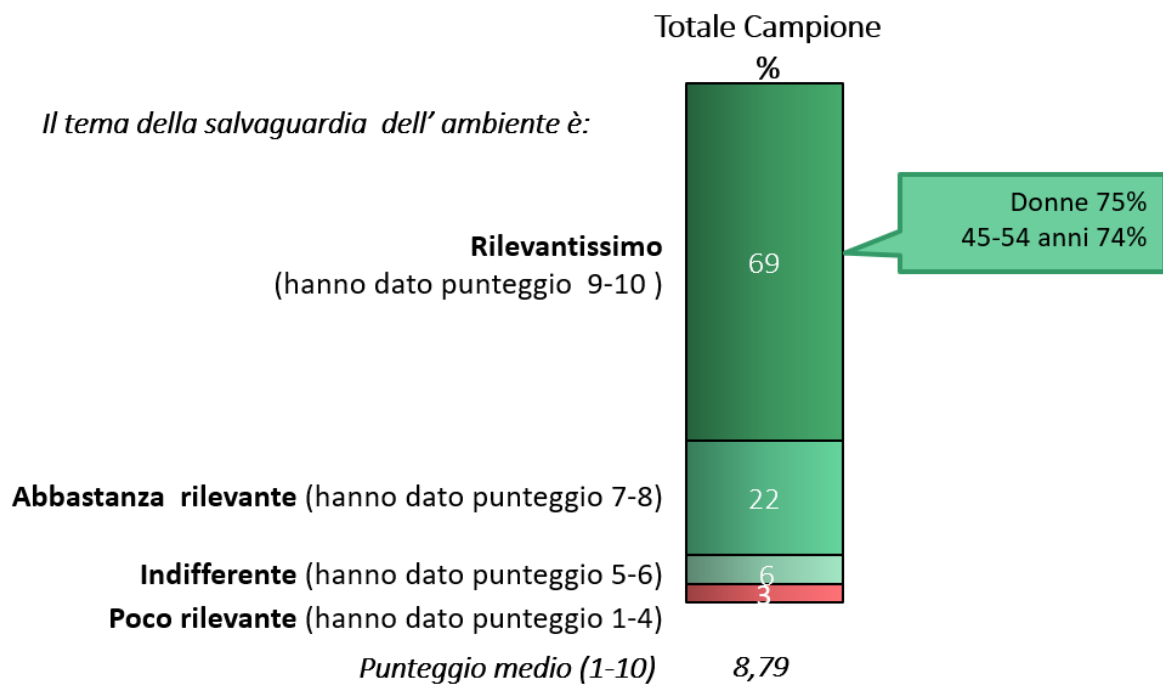


The sample was asked to rate the extent to which such listed activities were considered as *effective* in contrasting the degradation of the environment, and all of them were deemed- on average- to be quite effective in the defence and protection of the environment:

- Separate collection of waste
- Energy from renewable sources
- Ecological packaging
- Protection and re-use of resources
- Agreements on climate politics
- Efficient plants and appliances
- Electric cars
- Biological products

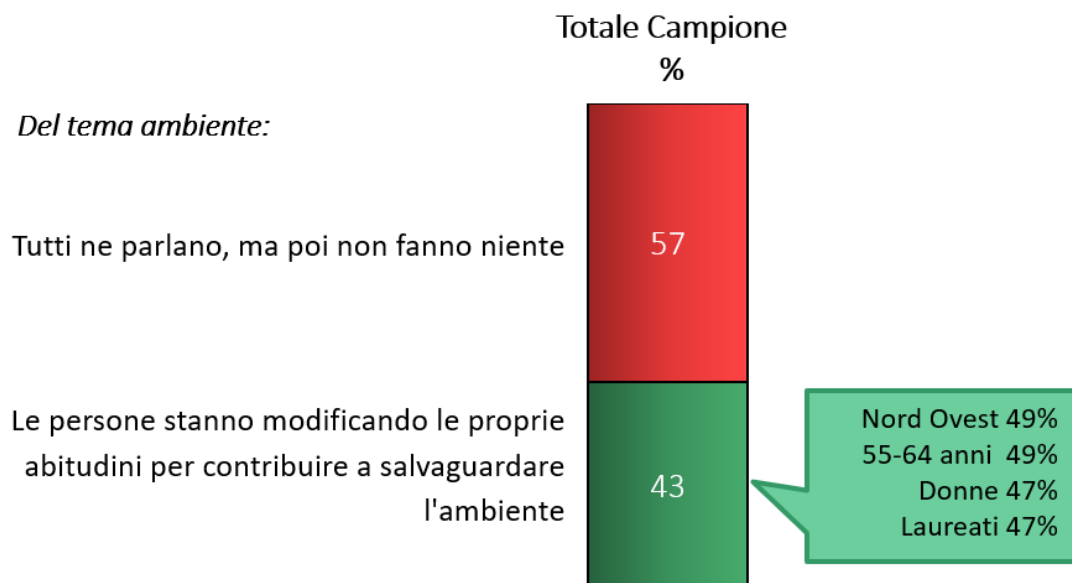
The most striking result is that among them, the most significant initiative is the separate collection of waste, which is something that almost all Italians do, and that does not require any relevant financial investment. This shows a high awareness of Italians on the theme of recycling, as they admit its importance for the melioration and safeguard of the environment.

How relevant is the safeguard of the environment for Italians?



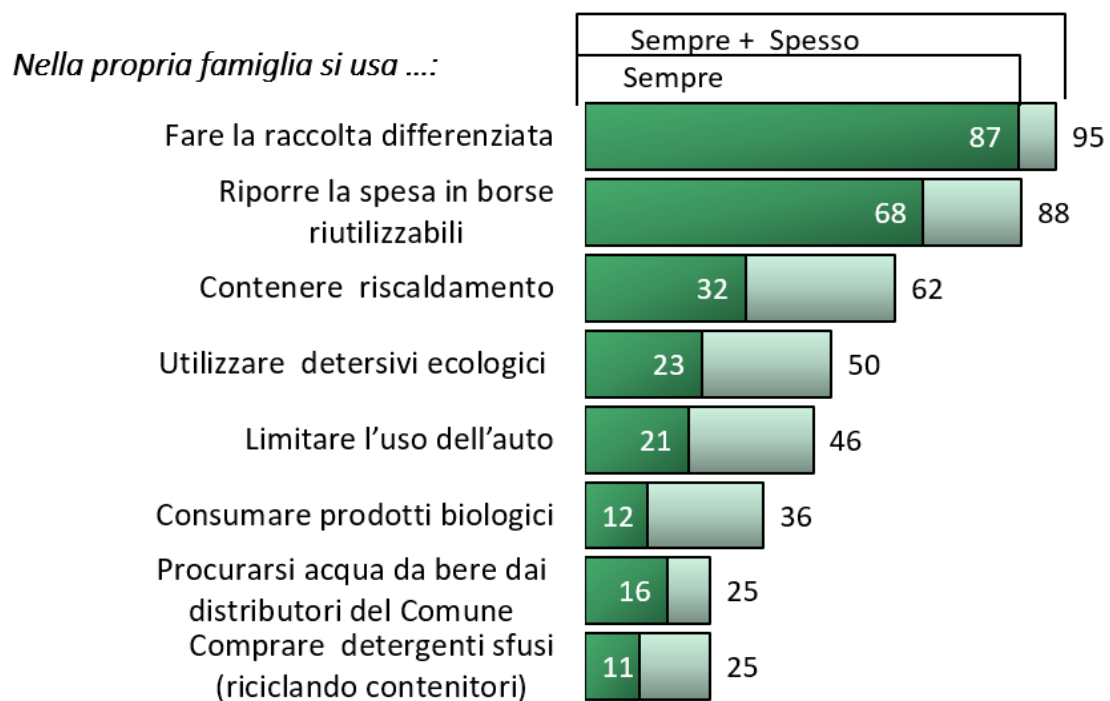
Most of the sample considered as “really relevant” the theme of safeguard of the environment, especially since this world is the one they will deliver to children. The part of the sample judging this topic as especially relevant is mainly composed by women (75%) and people in the age-range of 45 to 54 years (74%). Only a small fraction of the sample is indifferent to the topic or deems it as not relevant. These results demonstrate that most of Italians understands the theme of the environment is crucial.

About this topic, do you think people talk about it but do not do anything about it, or that people are changing their behavior to contribute to the environmental safeguard?



These results show that the concern for the environment is often characterized by “*false consciousness*”: a relevant part of the sample considers the topic as relevant, but treated with superficiality, since people do not do anything to act in favor of the environment (57%). But a consistent part of the sample (43%), has started to change its behavior and habits. In such section, there is a high concentration of segments characterized by high education level (graduated people, 47%) and residents in areas of the Country that dispose of more evolved economic and cultural resources (North-West, 49%). To them are added the segments of seniors (55-64 years old, 49%) and women (47%), who seem to be characterized by a greater proactive attitude.

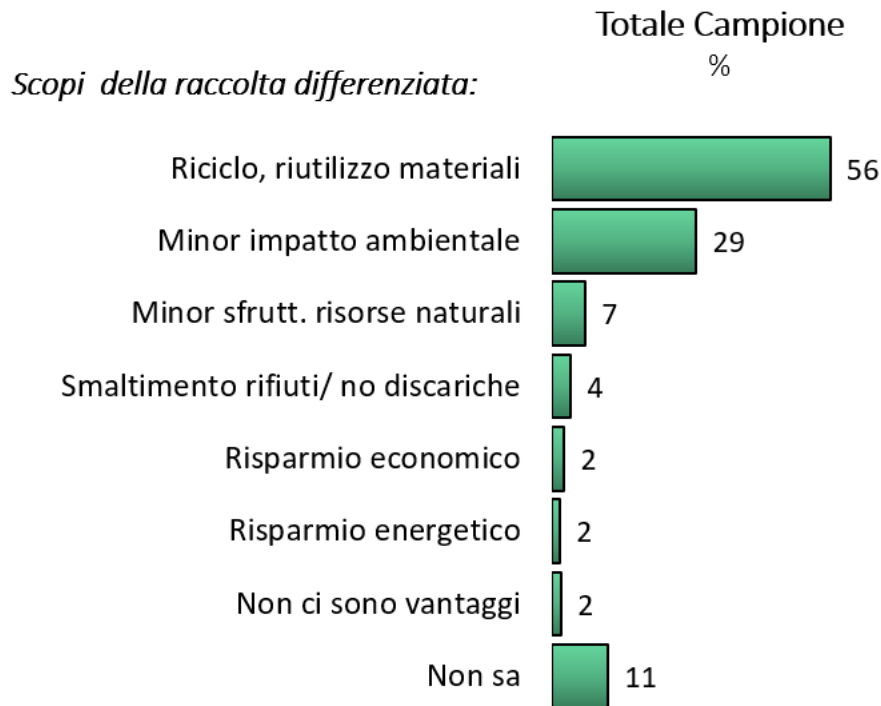
In your family, such listed behaviors are adopted in what extent? Always, often, sometimes, rarely or never?



The separate collection of waste retains the highest popularity: 87% of the sample always practices it, and an additional 8% is adopting it more often. Among the other practices, it is quite usual for the sample to use reusable bags for grocery shopping, while the other listed actions (limit the heating, use of ecological detergents, limit the use of cars, consume biological products, obtain water from the distributors of the Municipality, buy unpackaged detergents recycling the containers) are not practiced, and there is still a lot to do about the perceived utility of such actions and about the manageability of carrying them on.

Having determined the relevance of separate collection of waste among Italians, a question was posed to understand the extent of education and information of families on the objectives and aims of such practice.

According to you, which are the objectives and the benefits that derive from the separate collection of waste? (spontaneous answers)

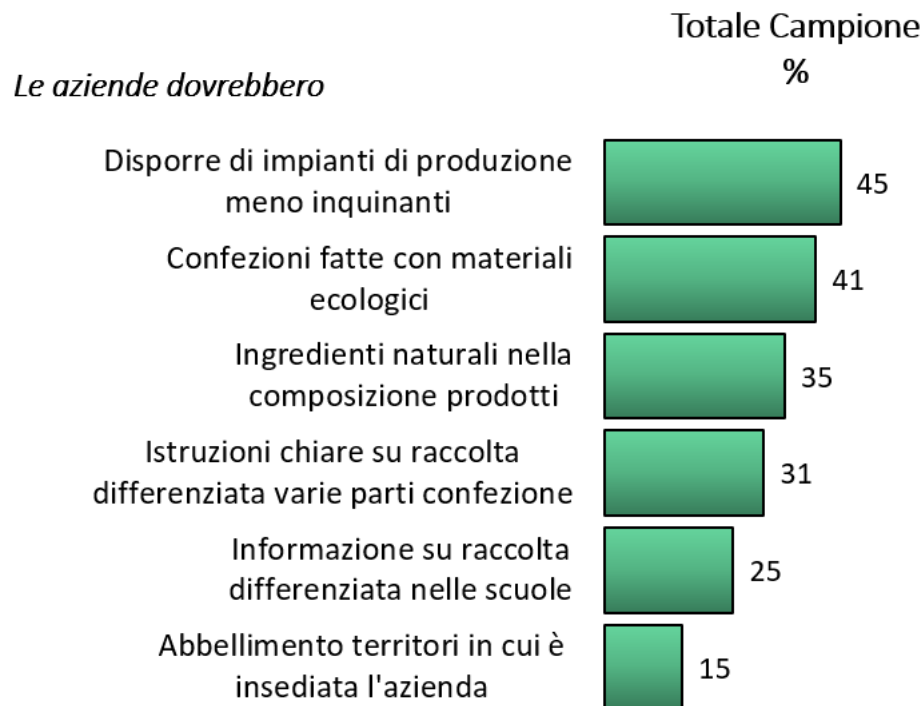


The most preeminent theme in terms of usefulness of separate collection of waste is the recycling and “second life” of materials (59%). It is interesting that at a spontaneous level, this topic is even more mentioned than the one of reduction of environmental impact (29%) – which is anyway the second most important benefit, since the packages and containers of products are considered as one of the principal factors of pollution-. The other benefits (lower exploitation of natural resources, disposal of waste/ no landfills, economic savings, energy savings, no benefits) are present at a lower percentage. The 11% of the sample could not tell any benefit, stating that it “did not know about any advantage of separate collection of waste”.

Other results have shown that the degree of satisfaction on existing separate collection of waste practices in their own district is quite satisfactory, and most of the sample values itself as quite correct and diligent in practicing separate collection of waste. Of course, since this was a self-perception assessment, the results could be misleading since a “correct recycling” and a “self-perceived one” could easily differ.

At this point, a question was posed regarding what companies should do to contribute to the safeguard of the environment.

According to you, what should the companies do to contribute to the protection of the environment and reduce pollution?



According to the sample, companies should dispose of production plants that pollute less (45%) and create packages for their products with ecological materials (41%). Other suggestions were to utilize natural ingredients in the composition of their products (35%), display clear instructions on the recycling procedure on various parts of the package (31%), provide information on separate collection of waste in schools (25%), and embellish territories in which the company is placed (15%).

3.2.3 The results

We will now present the main conclusions that were drawn from the results of the research, and we will show the relevance of such conclusions on the behavior of Garnier in approaching the project “Together let’s make the world more beautiful”.

1. **Concern for the environment.** It seems high among Italians, even if it is not often followed by active conduct. The impression though, is that the habits are slowly changing, especially for one part of the population. The Italians are anyway concerned about other important issues such as impoverishment and unemployment.

2. Proactive behavior for the protection of environment. The separate collection of waste is quite widespread, and its utility is understood. Other activities require higher discomfort or greater investments (such as the activities of limiting heating or the use of cars, or buying biological products and so on), and this is the reason why they are not as diffused. If technological innovations could permit to save energy and avoid pollution at an accessible price and in an easier way, then that would be an effective strategy.

3. The packages drain the natural resources and if dispersed in the environment are noxious, and for this reason they must be retrieved and reused. This is a lesson that Italians seem to have learnt thanks to activities brought on to provide information. Anyhow, there are still margins of improvement. The proximity of bins facilitates the correctness and continuity of collection.

4. Materials. The greater difficulties regard noxious materials that have minor areas of collection, as used up batteries and medicines (even if they represent a minor every-day waste). The increase of the collection points can only favor a virtuous behavior. Organic waste and cans still experience various difficulties in collection, while plastic and paper are widely recycled, even if some doubts are still present, especially regarding the mix of different materials. Information on the packages of products could help people understand and solve such doubts. Furthermore, the technological innovation of machineries that sort and separate materials after the collection could simplify the process.

5. Children. They are the addressee of the information relative to the safeguard of the environment in their house and in school and the best lesson is being a “good model”: parents need to be aware and they will in turn teach to their children the importance of recycling (and probably, this could occur even the other way around). Teenagers, especially boys, are still a bit detached, but the medium and mature segments seem to be quite used to recycling.

6. Companies. They are demanded to manage their production plants so that they will pollute less, to use ecological packaging and natural ingredients. In addition, the sponsorship of green areas or projects of sensitization in schools with an efficient partnership between public and private entities may be positively considered by families.

3.3 The project

The project consists in a three-years commitment of Garnier with Carrefour, MOIGE (the Italian Parental Association) and COREPLA (Italian Institute of Packaging) on the theme of waste and recycling of plastic which aims to raise awareness and educate children in primary schools. The years from 2017 to 2019 are expected to see the involvement of 500 schools all over the Italian national territory, together with their teachers, who will interact with children and let them learn through dedicated material provided by the Italian Institute of Packaging. At the end of the course, children will participate to a contest in which they will be requested to make a drawing representing their experience: in this way, it will be possible to assess the personal impact the initiative has had on each schoolkid.

Every year, for three years, during a one-month period, Garnier will devolve 50 cents for every product sold in Carrefour stores for the realization of the educational material that will be delivered to the schools adhering to the project (mechanics of **donorship**). As already mentioned, Carrefour is one of the most preeminent and leading client of L'Oréal, and this new commitment has created a brand-new type of relationship among them: this kind of dialogue with a retailer has modified the B2B axis, and this project has permitted the alignment of their value-assets for a long time period (3 years). This project was a “test bench”: the negotiation became a commitment to making something concrete together. The result was positive and has meliorated the “mood” and feeling about the initiative. The possibility of opening toward other institutional actors was also enriching, for instance the relationship and dialogue with MOIGE, which permitted to approach in the right way the delicate world of schools and primary education, creating a right relationship with people involved, and with the scientific world, through the Italian Institute of Packaging, which had the role of guarantor on the type of messages and information that were conveyed. More concretely, the MOIGE is the Italian Parents Movement, a non-profit organization that promotes initiatives for the protection and safety of children and teenagers, and for the sensitization of parents on important topics in such regards and has already dealt with the topic of recycling and COREPLA, The Italian Packaging Institute, is the information and professional training center on the science of packaging in Italy and is therefore the best contributor of informational material.

The objectives of the project are to stimulate and let the awareness of students and of the schooling world raise on the theme of recycling. The main addressees of the initiative are

minors between 6 and 10 years old, together with their families. During the project, the schools will receive informational material for their formation, which will then reach students. Such material is comprising an informative worksheet for teachers, a booklet, a promotional flyer, and a pen-drive with multimedia material. As already mentioned, at the end of the formation period, the kids will realize drawings on the topic of recycling of plastic, that will be exposed as temporary exhibition in their schools on the theme. The 5 works considered as more representative will be awarded a prize that will be defined by L'Oréal during an event organized by the company.

The numbers defined for the project were the following: considering an average number of 300 students for every schools, the initiative aims to reach:

- 500 Primary schools engaged in the project
- 150.000 students of age between 6 and 10 years old
- 1.000 teachers involved
- 300.000 informed parents through the adhering schools

The MOIGE association reserves to teachers and school directors a Call Center devoted to coordinating, following and encouraging the correct evolutions of the project and the organization of specific Open Days. Such Call Center will provide:

- Help and suggestions for the participation of students, teachers and parents
- Support on the educational methodologies to inform students
- Information for the organization of Open Days

A fundamental aspect of the project is the one of *Media relations*: the press office of L'Oréal takes care of the diffusion of the project on the means of communication and through all the informational instruments at disposal for the full duration of the project, creating interest for the project and for the activities in schools.

3.3.1 The first year: 2017

During the first year, 2017, the project has involved 220 primary schools (20 more than planned), through a creative and interactive didactic formation, that started from the diffusion of knowledge on the various steps that lead from the project creation to its design

and to its successive transformation. As expected, the teachers permitted the participation of the students to a drawings contest, focusing the attention on the methods, systems, and modes of recycling, and using the informational KIT of the campaign.

The 220 schools that were involved in the first year were so dispersed across Italy:



- 27 from Lombardy
- 23 from Piedmont
- 2 from Friuli-Venezia Giulia and Apulia
- 34 from Liguria
- 2 from Veneto
- 2 from Emilia Romagna
- 1 from Marche
- 123 from Lazio
- 1 from Campania
- 2 from Calabria
- 3 from Sicily

Figure 10: Italian Regions in which the project was carried out during its 1st year of operation, 2017

The number of drawings received were 4.543. The most representative drawing was realized by the Comprehensive Institute “Via Sidoli”, and the winning class was able to visit the L’Oréal plant with zero emissions, in Settimo Torinese, Italy, which we mentioned before as an exemplar case of sustainable plant.

The didactic and informational material sent to schools was comprising:

- Informative worksheet for teachers
- Informative booklet for students providing advice, suggestions and information
- Promotional flyer to be affixed in schools



Figure 1: Informative booklet for students, with the two "testimonials" of the project: Rici and Clò

Furthermore, specific sections devoted to the campaign were published on the media portals of the partners of the project, to ensure greater visibility and creation of interest. Such sections permitted users to receive practical advice, receive news on the activities in schools, propose the participation of a new school, and examine and download the informational documentation of the project.

The campaign in the first year has involved, directly and indirectly through the distribution of material:

- **59.750 minors** involved through Open Days
- **119.500 parents** reached through the diffusion of informational material
- **440 teachers** engaged during dedicated informative days

The activity was signaled by 17 articles published by various newspapers and magazines, but we will focus our attention on this "*best press coverage*" later in our analysis of the benefits derived from the project.

3.3.2 The Lattanzio KIBS Group analysis on Web conversations

After the first year of the project, Garnier decided to commission to the Lattanzio KIBS Group an analysis on Web conversations on the topic of *Circular Economy*. The adopted approach was the one of *social listening*: 30.000.000 posts, from 2008 to 2017, were analyzed, to understand how much the conversations in the world presented the topic of circular economy (which is just a step further than the concept of recycling), and therefore assess how valuable the initiative was going to be with respect to such interest. The findings were particularly interesting since Italy was found to be the third country in the world for

number of conversations in these last years (after the United States of America and the United Kingdom).

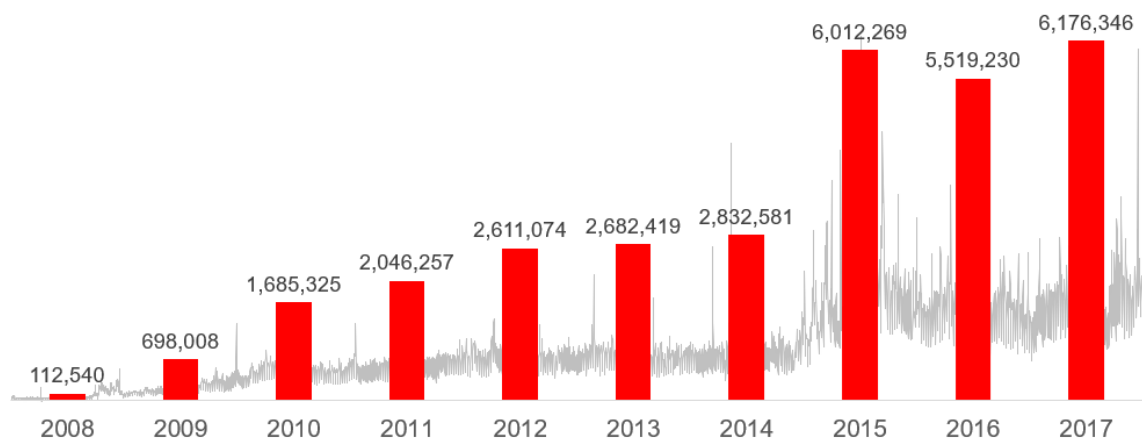


Figure 11: Worldwide overview of posts about Circular Economy (2008-2017) - Lattanzio KIBS Research (internal source)

The presented graph shows the increasing presence of posts and discussions about recycling and circular economy in the world. The interest on the topic has increased sharply from 2015 and has remained steady high for these last two years. In 2015, on the 2nd of December, the European Commission had composed a Plan of Action with measures relative to the entire life-cycle of products: from the design to the distribution, and from the production to the consumption of products, to the management of waste and the market of secondary materials.

In Italy, the posts on the web regarding the topic of circular economy followed this (the research was based on 740.000 Italian posts):

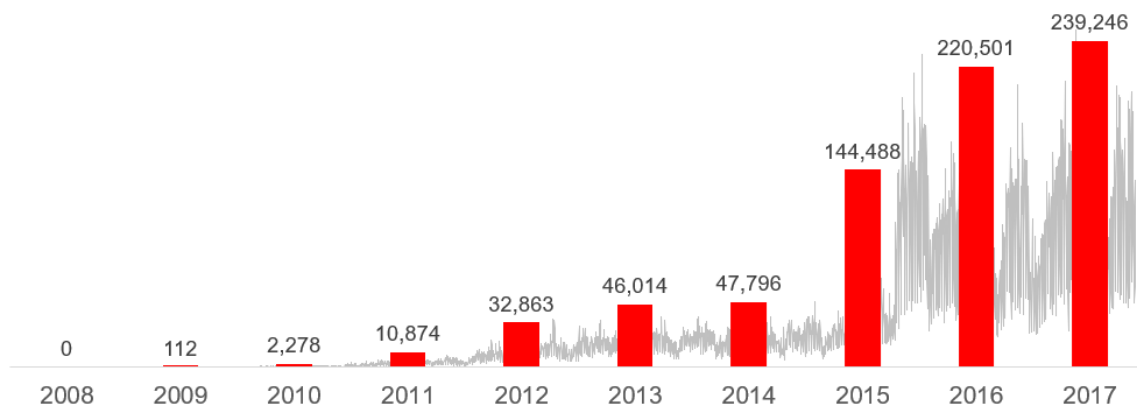


Figure 12: Italian posts on Circular Economy (2008-2017) - Lattanzio KIBS Research (internal source)

In Italy, there has been a steady growth from 2015 onwards. In 2015, the Expo took place in Milan, and involved 130 countries and 20 million people. During such remarkable event, people understood that sustainability is composed of various dimensions that are closely connected: the social, environmental, economical and cultural ones. Therefore, the sustainers of environmental protection were not in contrast anymore with the sustainers of economic growth, since the two dimensions were expected to move together toward a better society and welfare. In 2016, Italy recycled the 47,6% of urban waste, and two thirds of the territory already presented excellent performances that can be compared to the best experiences in Northern Europe. Furthermore, 199.000 new jobs positions were created in Italy thanks to circular economy, in various areas, such as bio-economy, food industry, pharmaceuticals, bio-technology, and so on. At last, 2017 was the year of the definitive approval of the European package on the Circular Economy, and Italy became one of the most virtuous countries regarding recycling (and it was previously known as the country characterized by the highest emergency of waste). Having said that, it is clear why the topic has become more and more relevant for Italian citizens, and why they appear to be discussing increasingly more about it on the Web.

Through a random selection carried out by the Lattanzio Group, the research was able to find some more interesting results using machine learning. 50.000 posts were randomly selected and then analyzed to understand the most relevant topics in conversations. The findings were quite interesting: none of the topics prevailed over the others, but they were

rather present in an equal way, and the theme of Circular Economy was tackled at “360 degrees”.

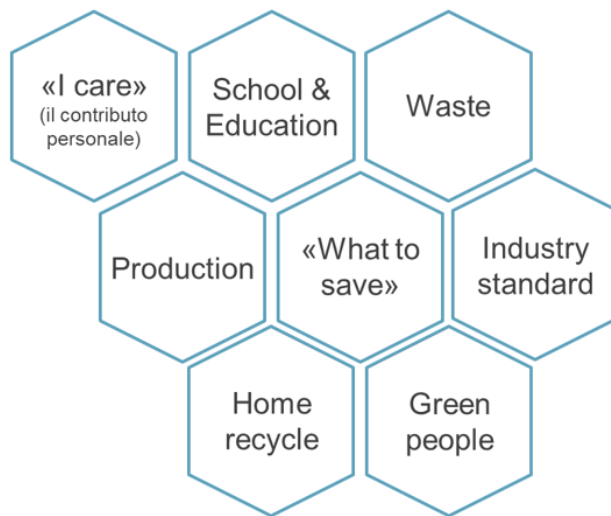


Figure 13: Relevant topics in posts regarding Circular Economy- Lattanzio KIBS Research (internal source)

Anyway, it is important to consider that such topics assumed different relevance depending on the geographical macro-area we are considering:

EUROPE	ITALY	NORTH AMERICA
Green People	<u>What to Save</u>	I Care
Waste	<u>Industry Standard</u>	Production
<u>Home Recycle</u>	<u>School & Education</u>	School & <u>Education</u>
Production	Waste	Waste
<u>Industry Standard</u>	Green People	<u>Industry Standard</u>
I Care	I Care	<u>Home Recycle</u>
<u>School & Education</u>	<u>Home Recycle</u>	<u>What to Save</u>
<u>What to Save</u>	Production	Green People

Figure 14: Ranking of Topics of interest depending on macro-area- Lattanzio KIBS Analysis (Internal source)

As the figure displays, in Italy the most relevant topics are the ones written toward the top, and as we proceed down the column, they lose importance and influence over Italians’ conversations. In Italy, the re-use of materials is at the top of the ranking (“What to Save”),

whether the domestic recycling (“Home Recycling”) has not the same “appeal”: this is a clear signal that there is the need to sensitize individuals on such topic. As second theme in the ranking, Italy has the “Industry Standard”: this points out the fact that industries and companies are felt as especially important in the life-cycle of materials. The position of the voice “School and Education” is among the most important ones, and this demonstrates a special care of Italians about the schooling system and education of children, who are the nation’s future.

The analysis of the posts underlines the fact that the most long-lasting effects are achieved only when there exists a strong engagement between institutions, companies and people. That is the reason why the **systemic view** of Garnier with the project “Together let’s make the world more Beautiful” is felt as correct and is promising great results and achievements. The analysis has provided to the company a confirmation regarding the importance of such union among private companies, institutions and civil society. The right direction for the melioration of the care for the environment is the education of children to shape the adults of tomorrow.

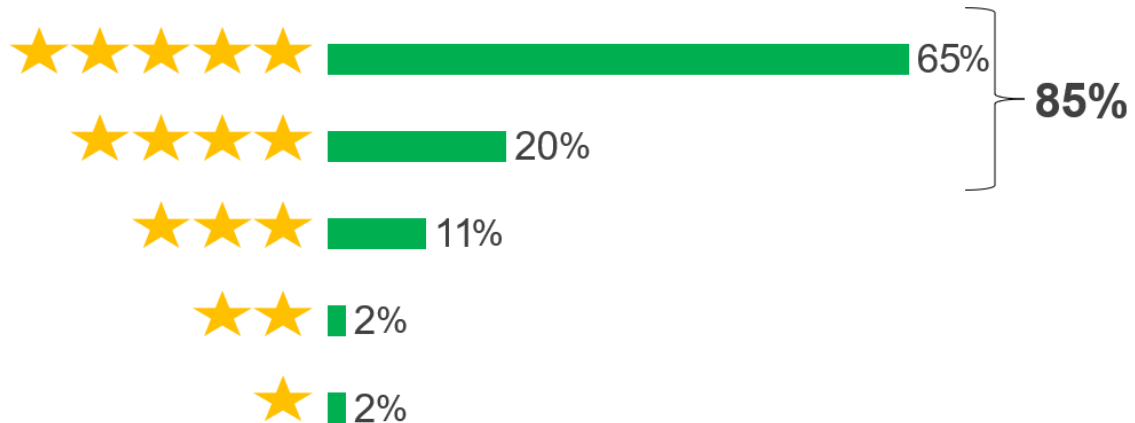
Another interesting result of the analysis was regarding the possible scalability of the project in other countries. The most potentially successful fields were the ones of Spain and France, but we will later mention them among the expectations for the future of the project.

Thanks to these results, Garnier was able to spot the most relevant themes, around which the interests of users were focused. To draw some conclusions, the most relevant concepts that emerged were the ones of *creativity* in recycling, *industry standard* and *education*.

3.3.3The Survey on satisfaction of students and teachers

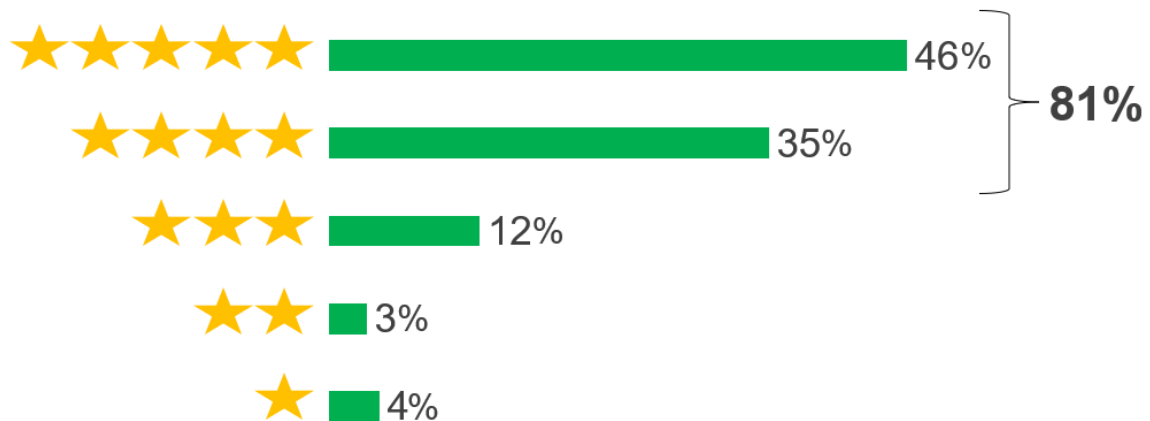
Garnier commissioned to Lattanzio Group another survey which this time aimed at understanding the degree of satisfaction of students and teachers regarding the project “Together let’s make the world more beautiful”. To meet such intention, an online survey was conducted, involving 225 students and 25 teachers. Children were asked to answer to the questions by choosing from a range of from 1 to 5 stars.

Did you like the project?



85% of the sample was happy about the project and liked it: this is the first achievement of the initiative, since it was meant from its origin to be a fun and useful experience to kids. Furthermore, the teachers deemed the theme to be appropriate to be presented to students.

Did Rici and Clò help you understand what you should do to protect the environment?



Rici and Clò are the two characters that are presented in the educational material of the project, providing children instructions, information and advice on the topic of recycling. 81% of interviewed children could assert to have understood well how to act and what to do to preserve the environment, and according to teachers, the supporting material was considered appropriate in teaching and delivering information on the topic of interest, even if in varying degrees. One third of the teachers has considered it “*really appropriate*”.

Other results presented showed that children are giving increasingly importance to the idea of “Giving a second life to objects” (85%) and 77% of them states to be recycling more at home.

At last, when asked if they would like to participate again to a project like this one, and maybe regarding other topics, the 87% answered “absolutely yes”, and teachers were happy as well about the initiative and about this kind of approach to such topics.

Some other open questions were posed to children and they revealed a lot about:

- Their effort and great openness in embracing informative and ludic initiatives;
- Their creativity;
- Their degree of sensitivity to the environment and toward good practices (higher degree than their parents);
- Their desire to have clear and stable reference points.

The kind of dialogue they were exposed to was regarded by them as interesting, and they do not intend to renounce to it. This was demonstrated as a good path for education and formation of children on relevant themes, and makes Garnier believe that the project will have increasingly greater impact and potential.

3.4 Results on firm performance

The project has contributed to the increase of information and awareness of households on the topic of recycling and has educated children, who are the ones who will inherit this world. This attention of Garnier to education, future and children has therefore lead to a concrete plan taking place in schools, which is the location in which kids spend most of their time. The results were positive and encouraging, since, as presented in the paragraph above, the initiative has experienced great feedbacks and liking from both students and teachers, and the appreciation of parents as well. This “closer” approach of a company like Garnier, made the B2C relationship shift toward a greater integration with consumers’ expectations and demands, as well as with the requests of the evolving environment and ethical standards.

As we mentioned in the beginning of this thesis, the consumer is changing and is becoming an “augmented customer” and, as the variety of choice among similar and substitute products increases, he is forced to choose among them depending on some standards which are not equal for all and are quite subjective. Anyhow, it was proven that the awareness of customers on the presence of an “ethical side” in the purchase of a product pushes him to choosing that

“augmented one”, compared to other products presenting the same quality. This pattern of choice makes the mechanics of **donorship** employed by Garnier a “great deal” and mode, since it increases brand reputation and visibility, as well as sales volumes and perceived satisfaction of buyers and users. Italians are becoming increasingly responsible and 7 over 10 customers are willing to pay more for products coming from “sustainable companies”, and the 64% of consumers would not purchase products from “not sustainable ones”.

In terms of returns on firm performance, the project proceeded with a POS activation which was highly successful: 52 Hypermarkets had a dedicated promotional area and dedicated ½ flyer page on top of the stands, whether 200 Supermarkets were provided with dedicated head of gondola and 1/3 flyer page on top of the shelf. Furthermore, 237 PLV Garnier were placed in hypermarkets, and they ensured great visibility and publicity of the initiative. Such commitment of Carrefour to prepare such dedicated spaces was demonstrating its diligence in making the project “*big*”.

No studies were conducted about the results on brand image yet (they will probably be commissioned at the end of the three-years period of the life of the project), but there has been a lot of awareness and attention to the project. This is demonstrated by the excellent **press endorsement** that the project has received, and we will now present the main achievements.

40 articles were written on the initiative, and this amount of press coverage amounts to more than 200.000 editorial value. The project was mentioned in articles of various newspapers, magazines and websites, and among them we can mention: La Repubblica (number 1 Italian newspaper), Vanity Fair, Donna Moderna, Lastampa.it, Nothingtoamend.com, Packagingobserver.com, Iodonna.it, and so on. All these articles have cited the project as a winning example and success in the coordination and cooperation between companies and distribution. These results were achieved together with a digital and social activation carried out by all partners in the project, and all these efforts have led to great results for the company and for the initiative’s visibility.

3.5 Expectations for the future

Regarding the expectations for the future, the company really believes in the project, and so does the L’Oréal Group. Garnier Italy is being presented as a model for other nations, who are being informed about the project, and will have to define its manageability in their own settings (**scalability** and **replicability**). As the Lattanzio Group Analysis has underlined, the

most promising countries in which the initiative could experience great success and support are Spain and France. In France, the relevance of schools is present in a lesser extent, but this theme is becoming more and more important (*Macron effect*). The project “Together let’s make the world more beautiful” will therefore be set as “*paradigm*” for other countries, and it will be then implemented *in loco* by each nation. The studies on the initiative have as well demonstrated how this *systemic view* can constitute a “winning approach”, and there are great hopes and expectations for the future to come, as the world changes and people become increasingly concerned about the topic of pollution and circular economy, and as kids turn to be more and more the addressees of the efforts of firms and institutions to deliver effective education on important social themes.

One last remark shall be made about the internal organization of the project: “Together let’s make the world more beautiful” is not only a case demonstrating how a systemic approach is valid and winning, but also stands as an exemplar case of embodiment of the value of *Simplicity* which characterizes the L’Oréal Group. The holistic approach with stakeholders, concerning the relations among the firm and the external parties, was accompanied by a fundamental *cross-functional* one, regarding the internal organization and relations across participants in the project, which constituted a key factor for the success of the initiative. Simplicity stands to mean an enhanced cooperation and simplification of the organizational and informational processes across parties involved in the project, and a more efficient exchange and porosity across functions: the connection among the Communication, Commercial, Scientific and Marketing sections of the project was extremely successful and permitted the project to be carried out in the best way. In the team, the most relevant parties were the *dr. Corrado Giraudi*, the Head in Italy of the Commercial Team of Garnier, who was fundamental in interfacing with the Commercial part of Carrefour, the *dr. Paola Gilardi*, in the Communication team of Garnier and for the Scientific part, the figure of *dr. Cristina Emanuel*, who revised with the team the materials provided by the Italian Institute of Packaging, assuring they would be “readable and appropriate” for the targeted audience. The marketing section of Garnier was important for the implementation of the project on points of sale. This value of Simplicity was key, as it ensured an increased efficiency and accord among Human Resources, inside of the company. The team was motivated and united, and this cohesion ensured a stimulating working environment and an alignment of resources and assets toward the achievement of a common cause.

CONCLUSIONS

We have therefore carried out an analysis of the project “Together let’s make the world more beautiful”, and we have examined how the idea was conceived and how the actors in the initiative contributed and aligned their values and interests in serving one of the most important needs for people: education. The topic of recycling and circular economy is becoming increasingly important and what citizens quite often miss is sensibility and awareness on its causes and effects on society and on the environment: and this is exactly the problem the project intends to address. As it was mentioned at the beginning of the thesis, my aim was to present the benefits that a CSR project can have for a company, and our main conclusions in this regards can be the following: the initiative had a great impact in terms of visibility and reputation for the firm, mainly thanks to the great participation of households who supported the project through the mechanics of **donorship**, and through the involvement of children and teachers in schools who participated in the campaign. The project modified the B2B relationship between Garnier and one of its main distributors, Carrefour, who found themselves together in committing for a cause, and aligning their values and assets. Together with such benefits, the company was able to put in place a systemic approach, in which the participants in the project were the company itself, institutions and the social community: as demonstrated throughout the thesis, this approach is a winning one, and this is the path that next projects and CSR efforts will eventually need to take. Together with such approach, the value of *Simplicity* embodied in the project was key, since it ensured great cohesion and harmony across all internal parties in the project and created a good working environment and strong alignment of interests and motivation for the cause. At last, we must say that the project has been a great example of commitment to educate children, and therefore the nation’s future, and this can only do good. “Together let’s make the world more beautiful” is a successful model to look up to, which demonstrates how the interaction and integration of different fields of operations, ranging from production to distribution to ethical concerns, is now demanded from consumers and from society, and this again makes evident how firms are evolving, embodying in their values and mission, themes of Corporate Social Responsibility.

Acknowledgements

In first stance, I would like to thank my family who has always supported me through the ups and downs of my life as a student, as well as through my life as a sister and daughter. You have always made me strive for giving the best I could offer and have made me realize I value infinitely more than grades or achieved results. I want to express my gratitude especially to my father, who has offered me an unforgettable and unique chance to approach this CSR case in this thesis.

In second place, I must thank my supervisor, professor Vicentini, who has not only followed me throughout the writing of this thesis but has also introduced me to the subject of Management which has interested and inspired me and has shed light on what I would like to do in the future. Thank you for believing in me and for having given to me important advice and encouragements.

In third place, at a really important place, I want to thank my colleague and great friend Ginevra, who has not only offered me coffee quite numerous times through our three-years of bachelor, but has taught me values that range from true and sincere friendship, to loyalty and self-esteem, making me believe in my capabilities, and never letting discouragement step in.

At last, but absolutely not least, I would like to thank the courteous dr. Gilardi, who has shown endless availability and support throughout the thesis and has helped me at any time, despite the busy schedule that characterizes her job position. She has provided me with precious insights, without which this elaborate could have not been possible.

I am expressing my thankfulness to all of you, as one of the first achievements of my life comes to an end, and as the doors of my future stand wide open in front of me.

Sincerely Yours,

Francesca

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