

# Strategic Communication Regarding Philanthropic Activity by Biotechnology Firms: Integrated Approach to Sustainability and Social Responsibility

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**Objectives:** This study aims to examine the strategic communication of philanthropic activities in the context of biotechnology firms, focusing on the dual enhancement of social and corporate value. It seeks to extend extant literature by providing an empirical in-depth analysis of this specific sector.

**Methods:** The research involved a comprehensive analysis of press releases issued by leading pharmaceutical companies from 2021 to 2024. Additionally, secondary data related to strategic communication and corporate social responsibility (CSR) activities were reviewed. This mixed-methods approach facilitated a robust understanding of how biotechnology firms strategically communicate their philanthropic initiatives.

**Results:** The findings confirm that the strategic communication of philanthropic activities significantly bolsters corporate performance and social impact in biotechnology firms. Specifically, these activities were found to enhance brand equity and foster consumer loyalty. The data suggest that effectively communicated philanthropic efforts contribute to a positive corporate reputation and increased stakeholder trust.

**Conclusions:** The study concludes that the strategic communication of philanthropic activities is integral to promoting sustainable growth and reinforcing public trust in biotechnology firms that experience unique challenges. While they tend to use traditional media, they would benefit from media diversification and targeted messaging. By embedding CSR activities within a broader strategic communication framework, biotechnology firms can optimize social and economic benefits. This integrated approach not only underscores firms' commitment to social responsibility but also enhances their competitive advantage in the marketplace.

**Key Words:** Corporate Social Responsibility, Biotechnology Firms, Strategic Communication, Philanthropic Activities, Sustainable Growth

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## Introduction

### Importance of Strategic Corporate Philanthropic Activity

Corporate philanthropy has gained strategic importance in recent years, particularly for pharmaceutical and biotechnology companies. Such companies use philanthropy to build public trust, pursue sustainable growth, and respond to various social issues (Fallah Shayan, Mohabbati-Kalejahi, Alavi, & Zahed, 2022). In capitalist countries such as South Korea, corporate

social responsibility (CSR) has intensified since the late 1990s (Lim & Tsutsui, 2011). In 2008, corporate donations comprised 70% of the total funds raised by the Community Chest of Korea, highlighting an increasing trend in corporate philanthropic activities. However, few studies specifically consider the context of pharmaceutical and biotechnology companies. To meet this gap, this study investigates the philanthropic activities of pharmaceutical and biotechnology companies from a strategic communication perspective, analyzing how they simultaneously enhance social and corporate value (Bruyaka, Zeitzmann, Chalamon, Wokutch, & Thakur, 2013). According to a report by the Federation of Korean Industries (2022), investments in corporate philanthropic activities continue to increase. We explore how such activities positively contribute to corporate performance and have social benefits (Hasan, Singh, & Kashiramka, 2022). We aim to discover differentiated strategies that effectively perform strategic CSR and promote sustainable growth.

## Methods

The study was conducted in two phases. First, using press releases from the domestic Korean media, the philanthropic activities of pharmaceutical companies ranked in the top 50 in domestic sales from 2021 to 2024 were analyzed. This type of case analysis is useful for developing new theories or refining existing ones (Calderon-Monge & Ribeiro-Soriano, 2024). These activities were then classified and analyzed. Data from the third quarter of 2023 helped identify recent trends in philanthropic activities. Press releases available online as of April 2, 2024, were reviewed to identify key terms.

In the second phase, the primary classified and analyzed data were examined to establish how each company strategically conducted and promoted philanthropic activities. This analysis used secondary data, including papers and reports on strategic communication; social contribution; environmental, social, and governance activities; and CSR activities, both domestically and internationally.

## Results

### Perspectives on Corporate Philanthropy

#### *Corporate Philanthropic Activity*

CSR is defined differently depending on the research focus and can encompass corporate citizenship, corporate commitment activities, and corporate philanthropic activities (Ahmad, Ahmad, Islam, & Kaleem, 2020). Bowen (1953) formulated the early definition of CSR as “the obligation of businessmen to pursue policies and decisions that conform to the goals and val-

ues of society.” (p. 6). This has become an important benchmark for researchers conceptualizing CSR. Eells and Walton (1961) and Anderson (1986) emphasized that corporations should follow ethical principles and engage in CSR. McGuire (1963) expanded this approach to include a sense of responsibility toward society as a whole. Lee and Moon (2007) noted that CSR began to take shape alongside industrialization in the 1980s. Chapple and Moon (2005) found that Korean companies have high participation in corporate philanthropy.

Recently, CSR activities have evolved from merely charitable activities to the creation of social value. This change was reflected in Kramer and Porter’s (2011) concept of creating shared values (CSV). This reflects the idea that corporate activities can have positive effects on society, highlighting the need for proactive corporate interventions in social and environmental issues.

Thus, CSR has evolved into a broad concept that includes economic, legal, social, and ethical responsibilities. Companies incorporate CSR into their relationships with various stakeholders. Through philanthropic activities, companies reaffirm their social purpose and responsibilities, thereby continuously creating social and economic value (Mu & Lee, 2023).

CSR has been discussed in several ways. Initially, this was considered contrary to a firm’s actual responsibilities (Kang & Jeon, 2011). Friedman (1962, 1970) characterized CSR as limited to maximizing shareholder profits. However, recently, the role of corporations in addressing social and environmental issues has been emphasized. In Korea, CSR activities became prevalent among industrialized firms in the 1980s (Lee & Moon, 2007). Furthermore, new forms of CSR, such as CSV, have been proposed in light of the negative effects of economic activity (Kramer & Porter, 2011).

Korean companies also participate in corporate philanthropy at the international level (Chapple & Moon, 2005) in tandem with their economic activities. By evolving beyond simple charity into social value creation, corporate philanthropy has become a critical means for firms to fulfill CSR and promote sustainable growth (Yoon & Lee, 2017).

Studies have also confirmed that corporate philanthropic activities positively affect brand equity and customer loyalty (Han, 2021). Thus, the authenticity of social contributions plays a critical role in stakeholder relationships. Accordingly, there is growing awareness that companies should focus not only on generating economic benefits but also on creating social value (Choi, Choi, Bae, & Jeong, 2023).

#### *Strategic Communication in Corporate Philanthropic Activity*

Individual consumer tendencies and lifestyles affect CSR-related perceptions and purchasing behaviors (Kim & Lim, 2019).

Kim and Lim (2019) reported that CSR is important for enhancing brand image and increasing purchase intentions. Yun and Jeon (2017) and Maignan and Ferrell (2004) confirmed that CSR positively influences consumer purchase intentions. These findings are supported by Han (2021), who concluded that CSR positively affects brand assets and customer loyalty.

Maruf and Afeez (2013) noted that CSR messages tend to be perceived as non-altruistic when they are abstract, underscoring the importance of delivering clear and logical CSR messages. These authors also argue that psychological factors must be considered in public evaluations of CSR activities. Carroll (2004) and Lee and Kim (2016) emphasized that CSR activities are important for securing local social legitimacy in global markets.

Firms engage in CSR activities both domestically and internationally. For example, KB Kookmin Bank expanded its philanthropic activities abroad. Gardberg, Zyglidopoulos, Symeou, and Schepers (2019) suggested that corporate philanthropic activities are likely to be interpreted negatively. However, Stanaland, Lwin, and Murphy (2011) reported that corporate philanthropic activities can positively affect consumer perceptions and that providing information via the Internet is effective. These studies indicate that philanthropic activities play a crucial role in managing corporate image and branding and are directly linked to consumers' purchase intentions (Lee & Lee, 2018).

## Classification and Analysis of Philanthropic Activities in Biotechnology/Pharmaceutical Companies

### Classification of Types of Corporate Philanthropic Activity

This study analyzes press releases related to the philanthropic activities of companies ranked in the top 50 in domestic Korean sales from 2021 to 2024. Activities were initially classified into three main categories based on themes and keywords: charitable activities, sponsorships, and volunteer work (Table 1). These were further subdivided into seven main types, as follows:

- (1) Culture/Arts/Sports Support and Promotion: include activities that support arts organizations, exhibitions, performances, and sports events, thus enhancing cultural assets and social cohesion.
- (2) Education/Academic Support: includes activities that improve academic research and education quality through scholarship programs, educational infrastructure improvements, and research funding support.
- (3) Environmental Protection: includes activities that promote ecosystem protection and sustainable resource use through sustainable business practices and environmental protection projects.
- (4) Monetary Donation: includes financial donations for disaster relief funds, social welfare programs, and health campaigns, which help strengthen the social safety net.
- (5) Program Operations and Operational Expense Support:

**Table 1.** Q3 2023 sales rankings of domestic pharmaceutical companies

Rank	Pharmaceutical company	Rank	Pharmaceutical company	Rank	Pharmaceutical company	Rank	Pharmaceutical company	Rank	Pharmaceutical company
1	Yuhan Corporation	11	Dongkook Pharmaceutical	21	Samjin Pharmaceutical	31	JW Life Science	41	Kyung Dong Pharmaceutical
2	Green Cross	12	Dong-A ST	22	United	32	Kyongbo Pharmaceutical	42	Humedix
3	Chong Kun Dang	13	Il Dong Pharmaceutical	23	Pharma Research	33	Shinpoong Pharmaceutical	43	REYON Pharmaceutical
4	Kwang Dong Pharmaceutical	14	Huons	24	Whan In Pharm	34	Samil Pharmaceutical	44	HanAll
5	Hanmi Pharmaceutical	15	Handok	25	Yungjin Pharm	35	Arlico Pharm	45	Daehwa Pharmaceutical
6	Daewoong Pharmaceutical	16	Daewon Pharmaceutical	26	Ahn-Gook Pharmaceutical	36	Samchundang Pharmaceutical	46	YuYu Pharmaceutical
7	Boryung	17	Celltrion	27	Hana Pharmaceutical	37	Hyundai Pharmaceutical	47	Bukwang Pharmaceutical
8	HK inno.N	18	Ilyang Pharmaceutical	28	ST Pharm	38	Myungmoon Pharm	48	Kukje Pharma
9	Jeil Pharmaceutical	19	DongWha Pharm	29	Dongkook Bio	39	Chong Kun Dang	49	Hwail Pharmaceutical
10	JW Pharmaceutical	20	Hugel	30	Daehan New Pharm	40	PharmGen	50	Kukjeon Pharmaceutical

include activities that support the operating expenses of nonprofit organizations or social service agencies, thus helping to achieve educational, health, and social welfare goals.

- (6) Disaster Relief: includes activities that provide necessary medical care, food, and temporary housing during natural disasters or social crises aimed at addressing urgent situations.
- (7) Community Service: includes organizing volunteer activities that employees participate in to promote community engagement and address social issues.

This classification helps illustrate how companies' philanthropic activities are reported and how each type of activity contributes to social goals, thus laying the foundation for long-term social impacts.

### Classification of Corporate Philanthropic Activities Based on Internal Strategic Criteria

Companies strategically undertake philanthropic activities and promote them through the media. In this process, the media highlight the agents and directions of philanthropic activities

and reveal them to the public (Table 2).

#### Individual Donations

Individual donations typically involve successful entrepreneurs or prominent figures who donate their private wealth. Such donations reflect the donors' personal beliefs. The media coverage focuses on individual donors and describes their contributions. Table 3 lists several examples.

#### Corporate Foundations and Corporate-Initiated Philanthropy

Corporate foundations and corporate-initiated philanthropy involve systematic philanthropic activities conducted through foundations established by companies or internal organizations. These activities are conducted in areas such as education, environmental protection, community development, and health promotion. Through foundations, companies invest in various social value-creation activities such as scholarship program operations, infrastructure improvement, and environmental protection. This can help to promote community development and improve public health, aiming for a sustainable social impact. Thus, philanthropy has become an important means of fulfilling CSR and building close relationships with local communities.

**Table 2.** Definitions of corporate philanthropy

Literature	Term	Definition
Johnson, 1996	Corporate contribution	The amount of donations, excluding corporate tax benefits.
Schwartz, 1968	Corporate philanthropy	A method where a donor voluntarily provides resources to a recipient without expecting compensation.
Fry et al., 1982	Corporate philanthropy	The movement of resources from a corporation to a beneficiary, predicated on the corporation's profit.
Mescon and Tilson, 1987	Corporate contribution	The oldest form of prosocial corporate behavior.
Stroup and Neubert, 1987	Philanthropy	A concept opposed to dividends for shareholders, represented by a voluntary reduction by the corporation.
Carroll, 1991	Philanthropy	Activities that corporations undertake to meet social expectations; corporate philanthropic activities are evaluated more highly than other dimensions of CSR, but their importance is considered lower compared with other dimensions of CSR.

Note. CSR, corporate social responsibility.

**Table 3.** Examples of individual donations

No.	Company name	Article date	Key content
1	Celltrion	14.9.2023	Seo Jeong-su, CEO of Celltrion Pharm, donates one million won to hometown, Cheongju, Chungbuk
2	Hana Pharmaceutical	7.12.2021	Cho Kyung-il, honorary chairman of Hana Pharmaceutical, and Lee Yoon-ha, CEO, support Seoul National University's College of Pharmacy with a 2.2 billion won scholarship
3	Daehwa Pharmaceutical	12.1.2024	Kim Eun-seok, CEO of Daehwa Pharmaceutical, donates five million won to the Hoengseong Talent Development Scholarship Fund

These activities are reported in press releases with the company or corporate foundation as the subject. Table 4 presents examples of philanthropic activity reports.

### Cause-Related Marketing

In cause-related marketing, companies strategically link charitable activities with profit generation to increase their profits. As social actors, companies strive to harmoniously connect their interests with those of the entire community (Luo, Zhang, & Liu, 2015) and strategically conduct philanthropic activities to ensure that profits and social development do not conflict. Cause-related marketing involves responding to consumer needs and achieving marketing goals while forming partnerships with nonprofit organizations, comprising a win-win strategy that includes philanthropic activities (Han, 2001). Table 5 presents examples of cause-related marketing.

Based on the above categories, this study analyzes the philanthropic activities of biotechnology and pharmaceutical compa-

nies ranked in the top 41 in domestic sales from 2021 to 2024, as shown in Table 6.

### Communication Strategies for Philanthropic Activities in Biotechnology/Pharmaceutical Companies

Maignan and Ferrell (2004) characterized corporate philanthropy not only as a nonprofit-oriented activity but also as a communication process beginning within the company and extending to the media, consumers, and the public. This serves as a platform for companies to publicly express their social values and responsibilities, which are directly linked to building consumer trust. Based on the Model of Communication theory, philanthropic activities enhance communication between companies and the public in a manner similar to crisis communication through the media. This affects public perceptions and attitudes toward the company and serves as a strategic communication tool for companies as they respond to social demands and expectations and strengthen relationships with stakehold-

**Table 4.** Examples of corporate foundations and corporate-initiated philanthropy

No.	Company name	Article date	Key content
1	Yuhan Corporation	23.1.2024	From July 2023, through the Early Access Program, provided a new drug free of charge to about 900 lung cancer patients; supported vulnerable populations in the community, such as older adults living alone and low-income groups, with medications and health promotion programs.
2	Green Cross	28.4.2022	Nuri Medical Foundation Green Cross Nursing Hospital in Asan, Chungnam, restarted outpatient services on May 2 and resumed normal operations; conducts annual sharing events such as medical volunteering, cultural events, and free meals.
3	Chong Kun Dang	26.2.2024	This year, Chong Kun Dang Kochon Foundation has supported 453 domestic and international students with scholarships and free dormitories; over the past 51 years, it has provided 71.1 billion won to 10,144 scholarship recipients.
4	Kwang Dong Pharmaceutical	8.3.2022	Provided emergency aid worth 75 million won, including general medicine and about 50,000 food and drink items, to the victims of wildfires in the Gyeongbuk and Gangwon regions.
5	Hanmi Pharmaceutical	4.3.2022	Hosted the 8th Light of Sound Sharing Concert at Kwanglim Art Center Jangcheon Hall with the Medical Philharmonic Orchestra to support children with developmental disabilities.

**Table 5.** Examples of cause-related marketing

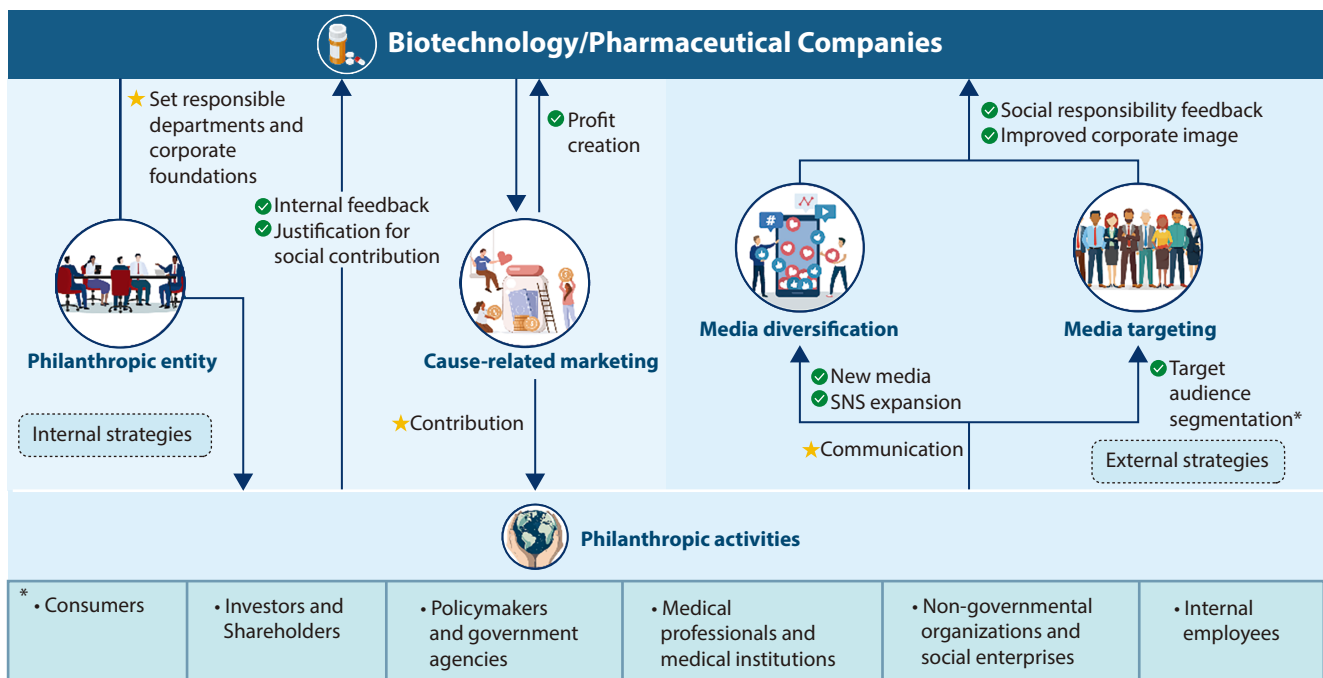
No.	Company name	Article date	Key content
1	Yuhan Corporation	31.8.2021	Developed environmentally friendly paper-based packaging materials for the application of eco-friendly materials in pharmaceuticals and consumer products.
2	Kwang Dong Pharmaceutical	15.3.2023	Minimized plastic use and improved recycling convenience by removing product labels.
3	Boryung	11.5.2022	Signed a strategic partnership with the recycling company Global Infra Tech, recycling "hemosis" polyethylene containers and applying Global Infra Tech's antibacterial, antiviral, and antifungal technology with nanoparticle technology in the upcycling process.
4	Dongkook Pharmaceutical	30.10.2023	Equipped national park shelters and campsites with first aid kits and supplies containing their products; conducted a "National Park Camper Safety Prevention Campaign".
5	Dong-A ST	26.10.2022	Following the installation of a solar power plant at the Dong-A ST Cheonan campus, changed the packaging tape used, implementing eco-friendly policies across the business.

**Table 6.** Cases of philanthropic activities by biotechnology/pharmaceutical companies

No.	Company name	Philanthropic classification	Number of case
1	Yuhan Corporation	Community service	28
2	Green Cross	Education, academic support	11
3	Chong Kun Dang	Education, academic support	17
4	Kwang Dong Pharmaceutical	Monetary donation	48
5	Hanmi Pharmaceutical	Culture/arts/sports support and promotion	25
6	Daewoong Pharmaceutical	Program operation and operational expense support	48
7	Boryung	Education, academic support, environmental protection, etc.	10
8	HK inno.N	Monetary donation, disaster relief	2
9	Jeil Pharmaceutical	Culture/arts/sports support and promotion	6
10	JW Jungwae Pharmaceutical	Environmental protection, monetary donation, etc.	4
11	Dongkook Pharmaceutical	Environmental protection, monetary donation, etc.	39
12	Dong-A ST	Monetary donation, academic support, etc.	9
13	Il Dong Pharmaceutical	Monetary donation, etc.	5
14	Huons	Environmental protection, monetary donation, etc.	16
15	Handok	Education, academic support, community service, etc.	5
16	Daewon Pharmaceutical	Education, academic support, monetary donation, etc.	7
17	Celltrion Pharm	Culture/arts/sports support and promotion	3
18	Ilyang Pharmaceutical	Monetary donation	3
19	DongWha Pharm	Culture/arts/sports support and promotion	6
20	Hugel	Monetary donation, education, academic support, etc.	23
21	Samjin Pharmaceutical	Monetary donation, arts/sports support, etc.	6
22	United	Education, academic support, monetary donation, etc.	7
23	Pharma Research	Culture/arts/sports support and promotion, etc.	11
24	Yungjin Pharm	Culture/arts/sports support and promotion, etc.	2
25	Yungjin Pharm	Monetary donation, etc.	1
26	Ahn-Gook Pharmaceutical	Education, academic support, etc.	4
27	Hana Pharmaceutical	Education, academic support, etc.	1
28	Daehan New Pharm	Education, academic support, etc.	1
29	Kyongbo Pharmaceutical	Program operation, etc.	1
30	Arlico Pharm	Education, academic support, etc.	3
31	Hyundai Pharmaceutical	Disaster relief	1
32	Myungmoon Pharm	Culture/arts/sports support and promotion	1
33	PharmGen Science	Culture/arts/sports support and promotion, etc.	4
34	Kyung Dong Pharmaceutical	Education, academic support, etc.	6
35	Humedix	Education, academic support, etc.	5
36	HanAll Biopharma	Education, academic support	1
37	Daehwa Pharmaceutical	Monetary donation	2
38	YuYu Pharmaceutical	Community service, monetary donation, etc.	6
39	Bukwang Pharmaceutical	Disaster relief	2
40	Kukje Pharma	Education, academic support	2
41	Kukjeon Pharmaceutical	Monetary donation	1

ers. Thus, companies can manage their CSR activities, improve their social perceptions, and gain opportunities to enhance consumer loyalty. Such a strategic approach can guide companies

in planning philanthropic activities, seeking ways to maximize social impact, and enhancing corporate value (Maignan & Ferrell, 2004). Figure 1 depicts the application of this strategy in the



**Figure 1.** Application of this strategy in the corporate philanthropy and communication process.

corporate philanthropy and communication process, which is further detailed below (Table 7).

### Strategies for Advancing Philanthropic Activities in Biotechnology/Pharmaceutical Companies

#### *Establishing a Company Body Responsible for Philanthropy*

The departments or foundations responsible for a company's philanthropic activities play a crucial role in communication by aligning the company's strategic goals with its CSR beyond mere charity. They manage philanthropic activities systematically and professionally, enhancing internal efficiency and expertise while contributing to the company's positive image.

Through clear communication channels, these groups ensured that the information was consistent and reliable. They strengthened their relationships with society and fostered public engagement by delivering the company's social messages in a controlled and consistent manner. This type of structure transforms philanthropic activity from mere internal management to a bridge between the company and society, further highlighting the importance of philanthropy.

#### *Linking Philanthropy with Profits through Cause-Related Marketing*

In cause-related marketing, companies use charitable activities as strategic assets to pursue corporate and social benefits. This is particularly significant for pharmaceutical companies because

their products and services help improve health and quality of life. Yuhan Corporation, for example, undertook philanthropic activity by providing the drug Rexraza for free. This type of activity fulfills CSR by using a product for philanthropy, which promotes the product without incurring additional marketing costs.

### External Communication Strategies for the Philanthropic Activities of Biotechnology/Pharmaceutical Companies

#### *Target Audience Segmentation*

The analysis indicates that pharmaceutical and biotechnology companies' communication regarding philanthropic activities was mainly limited to distributing press releases and using corporate-owned media. Such approaches may not fully reflect diverse communication needs and could limit the effectiveness of strategic message delivery. Therefore, there is a need for a customized communication strategy based on the characteristics of the target group. Whereas social media can promote interactive engagement with younger consumer groups, traditional news media is more suitable for providing reliable information. Therefore, this study suggests that pharmaceutical and biotechnology companies should use a segmented approach tailored to different target groups for effective communication. This approach can effectively convey the company's CSR and maximize the visibility and effect of its philanthropic activities.

**Table 7.** Philanthropy-related corporate communication characteristics, objectives, and strategies

Target group	Group characteristics	Communication goals	Communication strategies
Consumers	End users interested in health and wellness	Enhance product trust through philanthropic activities; strengthen company image in terms of contributing to health improvement	- Consumer education programs, health campaigns - Convey the social value of products and the company's commitment through patient support programs
Investors and Shareholders	Interested in investment returns and the company's long-term sustainability	Emphasize the company's sustainability and social responsibility through philanthropic activities	- Sustainability reports - Announcements of philanthropic activity results - Sharing ESG performance
Policymakers and Government Agencies	Influence policy formation and execution	Implement health policies; enhance policy support and collaboration	- Policy briefings - Public partnership programs - Participation in government-led health campaigns
Medical Professionals and Institutions	Make decisions about prescribing, recommending, and using products	Increase trust in products and company through philanthropic activities	- Medical education seminars - Provision of research data - Development of collaborative health programs
NGOs and Social Enterprises	Interested in social value and effect	Strengthen the connection between social goals and pharmaceutical industry goals	- Collaborative projects - Contribution to Sustainable Development Goals - Joint research and activities
Internal Employees (excluding subject)	Core members of company operations; effect on internal motivation and participation	Increase awareness of corporate culture and the importance of philanthropic activities among employees	- Share philanthropic activities through internal communication channels - Employee engagement programs, volunteering opportunities

Note. ESG, Environmental-Social-Governance; NGO, Non-governmental organization.

### *Media Diversification and Message Targeting*

Biotechnology and pharmaceutical companies have promoted philanthropic activities mainly through legacy media. However, with the rise of social media and the changes in the media landscape, there is an increasing need for media diversification and targeted messaging. Haenlein and Kaplan (2010) suggested that social media facilitates consumer engagement and effectively increases brand awareness by combining brand messages with user-generated content. This increases the touchpoints with various audiences and allows for communication tailored to the specific needs or concerns of consumers through each media channel, thereby inducing participation and response. Therefore, pharmaceutical companies should use social media to engage younger audiences through interactive content while using traditional media to provide more detailed information. This approach can help to integrate CSR with marketing goals, thereby playing a critical role in maximizing the visibility and effectiveness of a company's philanthropic activities.

## Discussion

The strategic communication of philanthropic activities by bio-

technology firms plays a critical role in enhancing both social and corporate value, thereby fostering sustainable growth and reinforcing public trust. The implications of the study's findings in the context of existing literature and theoretical frameworks are as follows:

### **Strategic Communication and Corporate Social Responsibility (CSR)**

Effective strategic communication of CSR activities is essential for biotechnology firms aiming to build and maintain a positive corporate reputation. This study corroborates and extends, in a particular context, the findings of previous research, which indicates that transparent and well-articulated CSR efforts significantly bolster stakeholder trust and loyalty (Gardberg et al., 2019). The dissemination of CSR information aligns with the principles of legitimacy theory, suggesting that organizations seek to ensure their activities are perceived as legitimate by various stakeholders, thereby enhancing their social contract (Suchman, 1995).

### **Enhancing Brand Equity and Consumer Loyalty**

The findings from this study emphasize and confirm the importance of CSR communication in enhancing brand equity and con-



sumer loyalty in the context of biotechnology firms. These efforts strategically communicate their philanthropic efforts and not only contribute to societal welfare but also strengthen the company's market position. This dual benefit supports the resource-based view of the firm, which posits that strategic resources, including CSR initiatives, can provide competitive advantages (Barney, 1991). Studies have shown that, when effectively communicated, they lead to increased consumer trust and loyalty, which are critical components of brand equity (Stanaland et al., 2011).

### Challenges in Corporate Social Responsibility (CSR)

#### Communication

Despite the evident benefits, we empirically outline that biotechnology firms face significant and unique challenges in effectively communicating their CSR activities. The study found that many firms predominantly utilize traditional media channels, which may not be effective in fully engaging a diverse audience. This finding is consistent with previous research suggesting the need for a more nuanced and multi-faceted communication strategy that includes social media to reach younger, more tech-savvy demographics, as well as traditional media to convey detailed and credible information to a wider audience (Haenlein & Kaplan, 2010).

#### Strategic Implications and Future Directions

Our findings indicate that the integration of CSR into the strategic communication framework of biotechnology firms is needed to optimize social and economic benefits. This study highlights the potential for CSR activities to enhance corporate reputation and foster consumer loyalty, thereby driving sustainable growth. Future research can further explore the economic impacts of CSR activities across different industries to provide a comprehensive understanding of their role in corporate performance in various contexts. Additionally, examining the effects of various types of CSR initiatives on consumer behavior could offer deeper insights into optimizing CSR strategies.

### Conclusion

In conclusion, the strategic communication of philanthropic activities is integral to the success of biotechnology firms. By embedding CSR within a broader strategic framework, these firms can achieve significant social and economic advantages, thereby reinforcing their competitive position in the market. This study contributes to the growing body of literature on CSR by providing a detailed analysis of its strategic importance in the biotechnology sector and underscores the need for effective communication strategies to maximize the impact of philanthropic activities.

This study illuminates empirically how pharmaceutical and biotechnology companies can enhance their social and corporate value through philanthropic activities. These findings indicate that these activities are the company's contribution to mitigating disease and improving health, leading to positive changes in consumer health awareness and attitudes. This, in turn, contributes toward increasing customer loyalty and corporate brand value while also fulfilling CSR and building social trust.

Pharmaceutical and biotechnology companies leverage their expertise and resources to address health issues. These activities can improve public health and are directly related to the missions of such companies. This study emphasizes that these companies generate both social and economic value by strategically designing and implementing philanthropic activities. This study's findings indicate that these activities have a positive effect on the long-term growth and sustainability of companies.

Furthermore, this study's analysis of how consumers perceive pharmaceutical and biotechnology companies' philanthropic activities highlights the ways in which companies can gain consumers' trust and enhance their preferences for their products or services. This underscores the competitive advantages and market positions that companies can achieve through philanthropic activities.

The findings show that philanthropic activities can serve as a strategic tool that goes beyond corporate ethics to contribute directly to economic performance. This has important implications for pharmaceutical and biotechnology companies. Enhancing the brand image and expanding the customer base through philanthropic activities can be vital for these companies as they compete in the market.

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