# Ethical Corporate Communications Management: Example of Ukrainian Brewing Industry

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Abstract - Present research conceptualises the notion of ethical management of corporate communications and analyses management of social corporate responsibility strategies in the brewing industry of Ukraine. Due to the current legal restrictions on advertising and promotion, brewing companies are forced to resort to complex methods of indirect influence on consumer behaviour, including corporate social responsibility as an element of corporate identity, in order to improve their image and reputation.

*Keywords* - corporate communications; ethical management; corporate identity; consumer behaviour; corporate social responsibility.

#### 1. Introduction

In the modern competitive environment, the quality and reliability of goods are no longer key factors,

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determining consumer preference. Such trend may be explained by the fact that as a result of focusing on innovation and improvement of production technologies, companies are constantly increasing the supply of upscale technological products on the market. The offer of high quality standards is perceived by consumers as a natural process and as a necessary condition for the appearance of goods on the market, which deprives manufacturers of competitive advantages based on quality.

Creating a positive image, and consequently, successful reputation of any company, the implementation of psychological, subtle, emotional impact on the consumer becomes increasingly important. Ten years ago, it was believed that image advertising should be emotional, while direct marketing, sales promotion and merchandising — rational [6]. Today, emotions come to the fore in all categories.

For the creation of a strong brand in terms of both the product and the company, it is necessary to have a high-quality product, the component of emotional information, as well as timely analysis of existing strategy and constant search for new ways to strengthen company's position in the market. Moreover, a profound understanding of consumer behaviour trends is of paramount importance in this regard, and nowadays, responsible consumption is steadily becoming a global trend in the process of transition toward the sustainable lifestyle of the society [26].

In the view of global ecological situation and rapidly rising consumer awareness, corporate social responsibility (CSR) solutions have firmly captured the attention of practitioners and academic community [25], motivating businesses to implement

CSR practices on different levels and striving to ensure, among other benefits, a reputation of a responsible member of the community and, as a result, a strong emotional bond with consumers. Multiple studies have proven the strong positive influence of CSR on reputation of companies and brands; however, they were mostly aimed at investigating the strength and direction of connection [10], [11], dedicated to certain types of goods and services the nature of which goes in line with ethical values of consumers. To the best of our knowledge, influence of **CSR-oriented** corporate communications strategies for rather ethically sensitive products are yet to be scrutinized, and a bright example of such products is the alcohol industry.

Moreover, the issue of finding alternative means of ensuring competitive advantage and emphasizing corporate identity arises especially sharp in the context of legal restrictions, under which traditional marketing measures and techniques cannot be used by law. In this context, the present article focuses on the brewing industry of Ukraine as one of the examples of active application of corporate strategies based on corporate social responsibility.

## 2. Literature Review and Conceptual Framework

## **Ethical Corporate Identity**

In today's business environment, companies are expected to pay more attention not only to their own values, but also to responsible and ethical behaviour towards their stakeholders [20]. With this in mind, community and practitioners academic suggested that organizations balance their relationship between profit maximization and good deeds through ethical behaviour, which triggered the development of the concept of ethical corporate identity [2], [3], [20].

In general, researchers identify the concept of corporate identity as a set of attributes that help differentiate the company in its competitive environment and contribute to the formation of corporate ethos, goals and values [2], [24], and a tool that helps ensuring strategic advantages increasing competitiveness by highlighting the unique characteristics of the company and creating its individuality [29]. Therefore, it is possible to state that each organization has its own identity, which consists of structural elements such as corporate philosophy, visual identity, external and internal corporate communications, organizational identity, corporate culture, brand identity, organizational personality and identification [7], [19], [29]. Management of these structural components of

corporate identity is necessary for the cohesive communication of information, the formation of a holistic image, creating a good reputation of the company to increase its competitive advantages in the market [13], [24], [29].

In this regard, an ethical corporate identity is a concept, in which a company acts as a public entity, a part of society that has respective rights and responsibilities [3], [4]. The concept can also be seen as an approach to companies' brands positioning and differentiation, based on the company's key values, mission and vision, which, in turn, influence the formation of corporate strategy and are influenced by ethical principles and concepts of corporate social responsibility [20]. Consequently, ethical corporate identity, including corporate identity, can be characterized by analyzing ethical principles, values and dimensions of corporate social responsibility.

According to the academic literature, the main task of CSR is the obligation of business to ensure compliance of its philosophy and operations with social, ethical and environmental issues, as well as to operate in accordance with the goals of sustainable development. This means that this concept calls on businesses not to focus solely on economic goals, but to manage their own activities with an understanding impact on important their social environmental matters [16]. The key types of corporate social responsibility are reflected in the following vectors: environmental responsibility, responsibility, responsibility, economic ethical rights human responsibility, philanthropic responsibility and volunteering.

Ethical brand identity, and here we mean both the brand of goods or services and the corporate brand [3], [27], is formed to describe the position, essence and promises that a product and / or a company communicates to its stakeholders and constitutes the so-called promised corporate identity [20], [23]. Ensuring the company's ethical focus is one of the key tasks of corporate identity management [19], which should identify and focus on the values that affect corporate social responsibility starting from the very establishment of the company. Thus, embodying the philosophy of ethical management in the company's strategy [28], as an approach to creating a company identity (CSR identity), formation of its mission and vision, including through elements of social responsibility [23], aimed at strengthening their own corporate identity, can serve as a vector of company brand development and positioning in order to increase competitive advantage.

Consequently, corporate identity can be viewed as a perception of corporate image, and collective perceived images, in their turn, form corporate reputation and reputational stability [29]. In other words, reputational stability can be defined as a

desired outcome of a positive and stable reputation of the company, derived from the system of characteristics of its economic activities and perceived image in the minds of its stakeholders [11]. On this point, it is important to underline that those researches prove CSR to be one of the most significant [16], [26] and least volatile variable of influence on reputational stability comparing to, for instance, media activity, innovations and anti-crisis management [11].

# Ethical Corporate Communications & Responsible Consumer Behaviour

Taking into account that corporate responsibility is now an integral part of their business and in the view of rising awareness of the practical need to create an ethical corporate identity [3], [4], [5], corporate communications management is moving into the realm of an ethical approach. In general, corporate communications are aimed at integrity in building relationships with stakeholders and consistency across media [5], accentuating corporate identity, creating a positive image and reputation.

Throughout the period of the concept development, conceptual approaches to the definition communication styles were formed [16], among which we should mention rational, emotional and integrated. Rational approach is related to the stakeholders' peculiarities of perception communication strategies constructed on evidence and demonstration, in particular based on the quality and benefits of the company's goods or services. Emotional approach, in turn, is used to emphasise aspects related to the satisfaction of needs and emotional satisfaction [6], [9]. The emotional approach is associated with the development of the concept of image in advertising and branding, in which the increase of affective saturation forms an individual stylistic perception.

The combination of emotional and rational approaches eventually constituted an integrated approach strategic communications. integrated approach unites a11 means communication and allows to send to the target audience messages that form a single cohesive image of companies in the market [2], [3], [29]. Integrated marketing communications combine various forms and methods of creating and developing companies' and brand image through advertising, PR, sales promotion and direct marketing. Integrated communications are a system of relationships with consumers, in which each individual message coming from the company, product or service, in some way complements and clarifies other communications [24].

Thus, corporate communications can be described as a general communication activity that the company generates to achieve the planned goals. From this statement, we can conclude that communications at the corporate level are intended to create the information integrity of the company's identity and deliver it to all stakeholders [23]. Consequently, ethical management of corporate communications lays in the increase of ethical orientation in the management of all types of business communications by conceptualizing its key moral and ethical values and their integration with the corporate social responsibility of the company [19], [20].

According to the opinion of scholars from identity studies, corporate communications are divided into external and internal communications, and consist of management, organizational and marketing communications [24], [29]. External corporate communications are aimed at transferring different types of corporate identity, positioning brands of goods and services, creating a perceived image, improving reputation, etc. [24], [27], [29], meaning — all activities that help raise awareness and create brand loyalty intended for external stakeholders, such consumers. society, government, competitors, investors, shareholders, partners and suppliers. At the same time, internal communications are aimed at transmitting information within the company for its internal stakeholders — owners, management and employees [7], and serve to communicate the attributes of structural elements of corporate identity, such as organizational identity, corporate philosophy and corporate culture.

However, there is little doubt that of all the abovementioned groups of stakeholders, consumers are the most targeted category for corporate communications in almost any B2C industry. After all, they are making purchasing decisions, driving sales and fulfilling the main economic goal of a business. Therefore, in an attempt to scrutinise the effectiveness of CSR element in corporate communications, it is important to analyze the nature of responsible consumption and ethical consumer behaviour.

We identify ethical consumer behaviour as "decision-making, purchases and other consumption experiences that are affected by the consumer's ethical concerns", which has been originally formulated by Cooper-Martin, 1993 (p. 113). In this context, academic literature identifies three main decision-making models [26]: 1) General Theory of Marketing Ethics postulates that decisions are driven by the sense of obligation and possible consequences; 2) The Theory of Reasoned Action proclaims that behaviour is identified by social norms and individual attitude; 3) The Theory of

Planned Behaviour asserts that decision depends on social pressure, personal attitude of a consumer and his perceived self-control over his purchasing decisions.

In general, responsible consumption depends on system of the following factors characteristics [26]. 1) Personal characteristics of a consumer in terms of demographics, values and beliefs, locus of control, confidence and moral maturity, etc., with regard to which, responsible consumer behaviour can be egoistic (based on individual costs and benefits), altruistic (based on perceived costs and benefits for others) and biospheric (based on perceived costs and benefits for the ecosystem as a whole) and depends on whether decision has been primarily driven sustainability reasons or individual reasons, others than concerns for the benefits of the planet and the society [17]; 2) Ethical product attributes, underlying the nature of the product and depending on the degree of incorporation of ethical elements in it, may have utilitarian and symbolic value for the consumer; 3) Situational factors, such as available information, product availability and inertia consumption choice [26]; 4) Nature of sustainability issue and its expected consequences: magnitude of consequence, social consensus, probability of effect, temporal immediacy, proximity and concentration of

Despite the fact that consumers all over the world, including Ukraine, show growing concern of sustainability issues, academic studies show they tend to make ethical purchases that do not require them to compromise price, quality or effort. They also tend to be sceptical of ethical branding, concerned of greenwashing, [26]. It is argued, however, that consumers' emotional response and responsible consumption are mostly influenced by their perceptions of brand social responsibility, which often triggers marketers to implement CSR elements into corporate communications techniques, aimed at creating a strong image on brand level.

# Advertising Under the Conditions of Legal Restrictions

Thus, internal and external marketing communications and relationships with employees and the society reflect different approaches to building a communication impact, often more emotional and affective. It is in this approach that the direct and indirect influence on the behaviour of these groups of stakeholders, including advertising technologies, play an important role.

If, according to the academic literature [2], [24], [27], the sources of direct influence include classical types of advertising in the media, such as outdoor,

television, internet advertising, advertising in print media, as well as special advertising PR-events and promotions, in case of indirect influence there is no definite list of all possible sources. However, today it is possible to identify several key areas of development of technologies for subtle influence on consumer behaviour, including hidden advertising, and marketers have to become even more resourceful, as a rapidly increasing number of businesses are abandoning direct advertising in search for alternative ways to promote their product.

This trend is most relevant for those goods whose advertising is strictly regulated by law. First of all, it is the market of alcoholic beverages, to which in Ukraine the products of the brewing industry belong since 2015, where beer with an ethyl alcohol content of 0.5% has been equated to alcoholic beverages. Including beer to alcoholic beverages imposes on it only restrictions on the conditions and organization of the point of sale, but also advertising restrictions. And although direct TV advertising is not completely banned, significant restrictions do not allow contact with the target audience to the desired extent, and for such an image-oriented category as beer, restrictions of this kind reduce the effectiveness of launching new brands or developing young companies [21].

According to the Law of Ukraine [22], advertising of alcoholic beverages is prohibited on radio and television from 6am to 11pm by means of internal and external advertising. With regard communications on the Internet, alcohol advertising is prohibited, except for websites intended for adults, the access to which is subject to prior identification of the age of users. Restrictions generally apply to communication with children and adolescents, which means that it is prohibited in places of mass events, on goods and in printed publications intended for persons under 18 years of age. It is also prohibited to involve minors as models.

Also, in terms of psychological impact on the consciousness and opinion of citizens, advertising should not contain images of the process of alcohol consumption; cannot form the opinion that alcohol consumption is an important factor in achieving success in sports, social, sexual or other spheres of life; should not give the impression that the use of alcoholic beverages will help solve personal problems; should not encourage the consumption of alcoholic beverages or negatively assess the fact of abstinence from alcoholic beverages; cannot form the opinion that alcohol has medicinal properties or that it is a stimulant or sedative; may not contain images of doctors and other medical professionals, as well as persons whose appearance mimics the appearance of doctors; should not involve celebrities and opinion leaders in their advertising campaigns; and should not give the impression that most people smoke or drink alcohol [21].

One of the restrictions that forces many advertisers to opt out of direct advertising is the requirement that alcohol advertising be accompanied by warning texts such as: "Excessive alcohol consumption is harmful to your health." Such a warning eliminates native advertising, which is one of the reasons why companies are leaning towards sponsorship and hidden advertising. Sponsorship of TV, radio programs, theatre and concerts, sports and other events with the use of signs for goods and services under which alcoholic beverages are produced is allowed in accordance with the Law of Ukraine [21]. Although direct advertising of alcohol (signs for goods and services under which alcoholic beverages are produced) is prohibited on radio and television from 6am to 11pm, there are no time limits on sponsorship.

It is also forbidden to depict the process of alcohol consumption and equipment for alcohol consumption (glasses, shot glasses, corkscrews, etc.), sound imitation of opening bottles, bottling and clicking glasses, description or depiction of organoleptic properties of alcoholic beverages, namely taste, smell and alcohol content, which in its turn serves as advertising technologies used in behavioural economics and neuromarketing. [14].

Another significant restriction to be noted is that the distribution and sale of other categories of goods branded with trademarks of alcohol is prohibited. This makes it illegal to sell any product with the logos or symbols of companies and / or alcohol brands on them. It is the above-mentioned provisions of the Law [22] that require companies to strengthen hidden advertising and highlight indirect but recognizable elements of visual identity and communication — the creation of unique attributes of the identity of goods and companies in the industry.

Finally, according to Ukrainian law, companies have to direct at least 5 percent of the money they spend on advertising within Ukraine to the production and distribution of social advertising on the harm of alcohol abuse, and reports on the use of these funds have to be published quarterly [21]. This norm corresponds to the activities of companies aimed at developing and maintaining the culture of responsible consumption.

### 3. Methodology

The present study is based on the combination of qualitative and quantitative approaches and has been divided into three stages accordingly. In the first stage, an extensive literature review has determined an essential conceptual framework and interdependence of the main concepts of the issue and an analysis of the current legislation on alcohol

advertising restrictions has been conducted. In the second stage, ethical corporate communications practices on the Ukrainian beer market have been scrutinized, investigating the effectiveness of the CSR elements in corporate identity and communications on corporate image and reputation under the conditions of legal restrictions. For this purpose, we have studied and analyzed available industry and corporate reports, web articles and other sources of practical information.

Based on the literature review and industry analysis described above, the following hypothesis has been formulated:

H: CSR image capital have strong positive influence on reputational stability of companies of brewing industry under the conditions of legal restrictions.

In order to cross check qualitative conclusions and validate the research hypothesis, the influence of CSR on reputational stability has been measured quantitatively using Spearman's rank correlation coefficient, which concluded the third stage of the present research.

Spearman's rank correlation coefficient is identical in content to the linear correlation coefficient and is used to estimate the relationship density between the characteristic ordinal (rank) scales in cases, where the sample is small and insufficient to use correlation-regression analysis [12].

$$\rho = 1 - \frac{6\Sigma di^2}{n(n^2 - 1)} \tag{1}$$

Where:  $\rho$  - Spearman's rank correlation coefficient; di - difference between factor (x) variable and performance (y) variable;

n - number of ranks (observations).

We have then checked the meaning of the obtained coefficient for its significance through the tables of critical meaning of  $\rho$  [12].

We have used the data from the National Ukrainian Rating of Corporate Reputation Management "Reputation ACTIVists", which summarizes the performance of 315 Ukrainian companies with the highest media coverage rate in various industries based on the five categories: Reputational Stability, Innovative Approach, Media Activity, CSR Image Capital and Anti-Crisis Sustainability According to Derevianko [9], one of the major tasks of National Rating is to establish a system of indicators for unified control and to outline the vectors of reputational management optimization, and for the purposes of the present study, we have selected the data on brewing companies for the period 2015-2020 in two related categories: Reputation Stability and CSR Image Capital in order to quantitatively support the evidence of how CSR-

oriented corporate communications strategies influence reputation of the company when it is conducted for ethically-sensitive product under the conditions of legal restrictions.

## 4. Results

# Ethical Management of Corporate Communications of the Brewing Industry in Ukraine

Due to the tightening of bans and restrictions on advertising, marketing of alcoholic beverages is conducted not only through traditional media, but all the more often through sponsorship, PR events and hidden advertising. The analysis of industry and corporate documentation showed that Ukrainian brewing companies, guided by current legislation, focus most of their attention on sponsorship programs as well as strategies for the development and implementation of their own corporate social responsibility. And since, due to the regulation of advertising, industry companies are forced to limit communication activities in time and space, it is sponsorship and social activity that serve as the necessary information drives and partially fulfil the tasks of advertising campaigns. In general, the concepts and strategies of sponsorship and corporate social responsibility have completely different motivating factors, and companies often use both vectors to expand their own communication platforms.

Overall, companies demonstrate a high level of corporate social responsibility in line with the development of vectors of initiatives, according to which we have distinguished three main strategies for managing ethical corporate communications, which, according to their purpose, can be divided into operational strategy, compliance strategy and customer-oriented strategy.

The key to implementing an *operational strategy* is the desire to become a leader in addressing issues that affect the success of the company's products or services. This strategy involves improving the company's image through production, industrial and technical innovations. The strategy provides benefits not only for the company, but also for its business partners, contractors and suppliers. Most often, the operational strategy is implemented by applying solutions to environmental problems, focusing on the realisation of environmentally conscious goals and measures aimed to reduce emissions while increasing the level of competitiveness. Areas of activity of companies in the brewing industry of Ukraine, according to the operational strategy, can be divided into the following structural groups.

1. Combating climate change: reduction of relative carbon emissions (Ukrainian companies are

beginning to focus on reducing the carbon footprint and implementing scientific developments to eliminate carbon dioxide emissions in production; "green" initiatives in the field of logistics (their main goal is to invest in low-emission transport, such as rail transport, which reduces both carbon emissions and fuel consumption); transition to energy from renewable sources (companies are developing production technologies and supporting CO2 reduction initiatives) [1], [8].

- 2. Conservation of natural resources: decrease in relative water consumption (the initiative is to reduce water consumption in breweries by developing technologies for maximum resource efficiency and implementation of wastewater treatment systems); protection of common water resources in high risk areas (it involves conserving water sources at risk in a changing climate and increasing the availability of fresh water for local communities); preservation and reproduction of forests (an initiative to create environmentally friendly infrastructure and preserve wildlife habitats) [1], [8], [15].
- 3. Ecological packaging: innovations in the field of ecological packaging (research and development of "paper" beer bottles, which are made environmentally friendly material and are fully recyclable) [8]; reducing the volume of packaging materials (the desire to minimize the amount of waste from packaging materials and increase the share of processed raw materials) [1]; use of reusable packaging (increasing the level of reuse of packaging, campaigning for the introduction of recycling practices and improving the conditions for sorting and recycling waste) [8], [15].

The second type is the *strategy of compliance*, which aims to meet the requirements of companies for their economic activities by supporting and developing CSR initiatives in a wide range of areas, from philanthropic to environmental, from health to social protection and overall quality of products. This strategy is quite common and suits brewing companies, as they are required to comply throughout the production process. Another positive consequence of this strategy is that it encourages companies to create products and services that meet the appropriate high level of quality and safety, as well as set a high bar for companies in the industry. The following activities have been outlined from the corporate communication practices of the brewing industry companies.

1. Labour rights and human rights: respect for human rights (develop a comprehensive approach to providing a safe, healthy work environment in which employees can unleash their potential, ensure labour standards and human rights to which all employees are entitled); policy on personal diversity and taking into account individual characteristics (ensuring

equal opportunities, regardless of social identity, and guaranteeing respect for all employees) [1], [15]; responsible delivery (positive contribution to society and the environment through the development and implementation of practical rules of ethical business conduct and compliance with the code of conduct of suppliers and licensees) [1]; ensuring labour protection and safety (all possible activities to protect the lives and health of workers, reduce the number of accidents and disability, including training, increase safety and inform employees about the risks of injury, improve workplaces, install additional protection) [1], [8], [15].

- 2. Ethical responsibility: fight against bribery and corruption (adherence to general anti-corruption principles and prohibition of bribery and corruption in enterprises); protection of personal data (ensuring the processing of personal data in accordance with the law); compliance with antitrust law (ensuring compliance with competition and antitrust laws, as well as laws on official accounting and financial documentation) [8].
- 3. Product quality and safety: improving product quality (striving for continuous quality improvement through the use of the best ingredients, recipe improvement and thorough inspection at all stages of production); involvement of agriculture (supporting the farming community, helping to increase yields and using natural ingredients) [1], [8].
- Culture of moderate and responsible consumption: warning to drive while intoxicated (promoting the inadmissibility of driving while intoxicated, raising the level of awareness and responsibility of drivers, activities to reduce the number of road accidents caused by drunk drivers) [1]; informing about the effects of alcohol (including placement on labels of the expanded information on production, increase of knowledge of stakeholders about influence of alcohol on a human body, carrying out the World Day of Responsible Beer Consumption - a global industry initiative aimed at developing responsible beer consumption in markets around the world) [1], [8]; responsibility on the Internet (providing conditions under which advertisements on social networks can be seen only by the audience that has reached the age that allows the consumption of beverages); prevention consumption by adolescents (raising adolescents' awareness of the dangers of alcohol use, promoting a healthy lifestyle, developing a series of innovative methods, models and practical advice for parents. educators and school psychologists on how to build relationships with adolescents in this regard) [1], [15]; increasing the global volume of low-alcohol and non-alcoholic beer [8]; Promoting stimulating the development of a culture of nonalcoholic beer consumption [8].

The third type of communication strategies for CSR of companies in the brewing industry of Ukraine can be called *customer-oriented strategy* that meets the needs of consumers and determines the of development, including through vectors behavioural research. This strategy is very relevant for brewing companies, as their activities are directly related to the community, taking into account that they are B2C-type companies and sell products directly to consumers. For the most part, companies driven by a customer-oriented strategy focus on meeting the needs of the community through charity, volunteering, and philanthropic initiatives that demonstrate their empathy and care for the development of society. CSR activities of Ukrainian brewing companies, guided by this strategy, can be divided into the following groups.

- 1. Waste collection and recycling: garbage sorting and recycling projects (informing stakeholders about the importance of sorting and ensuring proper waste recycling, as well as volunteering and participation in the activities of the public organization "Ukraine without garbage") [1]; collection of raw materials for recycling (initiation of activity on collecting glass containers, information campaigns and informing about the conditions of container processing, agitation of reusable raw materials) [8]; collection of used batteries (informing stakeholders about the need for proper sorting of batteries, placement of containers for their sorting and further disposal [15], as well as volunteering and participation in the activities of the public organization "give up batteries") [1], [8].
- 2. Support for culture and business: measures to support talented youth (supporting creative projects, opportunities providing for young talented Ukrainians to demonstrate their creative abilities) [8]; development of sports (activities to promote sports and a healthy lifestyle, providing financial, material and resource support to sports facilities) [15]; programs to support innovation and entrepreneurship for the youth of Ukraine (attracting public attention and raising funds for educational programs for young Ukrainian entrepreneurs in the framework of the UN Sustainable Development Goals) [1]; supporting businesses in dealing with the effects of a pandemic (business support activities, including the restaurant industry, initiation of social actions aimed to support local communities and business partners) [1], [8].
- 3. Science and education: support and development of science and education (creation of funds for the development and support of science and education, financial support, development of scholarship programs and grants for students, competitions in the field of science and innovation) [1], [7].
- 4. Social initiatives: helping the elderly population (volunteering and charity, aimed at helping

foundations and social projects that help retirees); helping children (charity aimed at helping orphans and children with mental and physical illnesses, volunteering, funding the development of medical centres) [15]; social investments in the development of the region (support for the development of regional infrastructure, implementation of landscaping programs, volunteering and support to local communities in cleaning and landscaping) [15].

5. Measures to combat COVID-19. Today, companies around the world have put the issue of disease control and its social and economic consequences at the forefront. Brewing companies in Ukraine are no exception and have allocated more than tens of millions of hryvnias to fight the pandemic. The money was used to help Ukrainian hospitals, the hospital purchased ventilators, sets of protective suits and masks for doctors, oxygen concentrators and patient monitors, disinfectants and more [1], [8], [15]. In addition to financial support, the companies provided assistance with nonalcoholic products. They joined the "lunch for a doctor" project, where together with restaurants they delivered lunch sets to Ukrainian doctors. Volunteer assistance and collaboration with charities and foundations such as the Red Cross and Let's help! were also provided [1].

#### Influence of CSR on Reputational Stability

Verifying the influence of CSR on corporate reputation, and thus, their ethical corporate identity and ethical corporate communications for Ukrainian brewing industry, we have used the data from Table 1 in the formula for Spearman's rank correlation coefficient (Formula 1) as follows:

$$\rho = 1 - \frac{6179}{18(323 - 1)} = 0.8157 \tag{2}$$

Where:  $\rho$  - Spearman's rank correlation coefficient;

Rx - rank of the factor (x) variable;

Ry - rank of the performance (y) variable;

di - difference between factor (x) variable and performance (y) variable;

n - number of ranks.

Table 1. Influence of CSR Image Capital on Reputational Stability in the Brewing Industry of Ukraine (2015–2020)

Nº	CSR Image Capital score (x)	Reputation Stability score (y)	Rx score	Ry score	di score	di²
1	46.5	46.5	1	2	-1	1
2	43.1	48.0	6	1	5	25
3	39.0	36.0	10	15	-5	25
4	40.0	37.0	8	14	-6	36
5	45.5	43.0	2	5	-3	9

6	43.0	42.0	7	8	-1	1
7	37.5	40.0	13	9	4	16
8	30.0	32.4	18	18	0	0
9	44.6	44.6	5	4	1	1
10	33.1	32.6	16	16	0	0
11	33.0	32.5	17	17	0	0
12	44.8	46.2	4	3	1	1
13	45.3	42.7	3	6	-3	9
14	36.2	38.4	15	13	2	4
15	36.8	42.6	14	7	7	49
16	39.4	39.6	9	10	-1	1
17	38.6	38.6	12	12	0	0
18	38.5	39.0	11	11	0	0
Σ	X	X	X	X	X	178

(Prepared by the authors based on the data from the National Ukrainian Rating of Corporate Reputation Management "Reputation ACTIVists") [18].

The rank correlation coefficient varies from -1 to +1, which means that it simultaneously estimates the density of the connection and indicates its direction. The calculated indicator shows that the relationship between factor and performance variables is direct and quite dense and constitutes 81.57%. The coefficient ( $\rho$ ) can be checked for materiality using the critical value of the rank correlation coefficient in the relevant tables of mathematical statistics for the materiality level (0.05) and for n >12. The critical value of the indicator is 0.50 [12]. This is less than the actual value (0.50 < 0.8157), so the significance of the relationship is proved with a probability of 0.95, which also proves the hypothesis of the present study.

Regarding the fact that brewing companies have steadily been present in the top 10 companies in various categories of the National Ukrainian Rating of Corporate Reputation Management throughout the period 2015-2020, we may conclude that communicating ethical brand identity plays a significant role in creating strong corporate image and reputational stability.

## 5. Discussion

We suggest to consider corporate communications as one of the structural elements of corporate types identity, which characterizes all communication attributes of corporate identity that exist between the company and all groups of its stakeholders, and build their relationship by information integrated transmitting using communications tools and all types of shared communication — paid, owned and earned media. Since gaining a competitive advantage requires the integration of both internal and communications, the task of their management is to create synergies between different forms of communication and consistency in building relationships with all groups of stakeholders.

A single concentrated communication flow establishes emotional relationships with all audiences and expresses corporate identity. Consequently, the functions of corporate communications management are the development, promotion and maintenance of corporate identity in the minds of all stakeholder groups, and the key tasks are to form an information and reputation profile of the company, ensure stakeholder awareness, minimize dissonance between actual and desired identity and create brand awareness of the company, its products or services.

At the same time, the task of ethical corporate communications should be to highlight corporate identity, comply with the strategy, coordinate all information sources and target all groups of stakeholders in the company. The key goal of ethical management of corporate communications is to create a reputation of an ethical and socially responsible company. It is also important to clarify that from the consumers' perspective, by responsible consumption in the context of alcohol industry we should understand not only their responsiveness to ecological or social issues, but also their own behaviour towards alcohol consumption. Beer as a product cannot be perceived as responsible by definition, given that it contains alcohol – a highly addictive substance, harmful for human health and potentially dangerous for the society. Therefore, levels of beer consumption and behaviour under influence become crucial indicators for assessing the ethical component of consumer behaviour and success of CSR communications strategies in brewing industry.

We also suggest, that corporate communications aimed to create a strong image on brand level prove to be the most effective. After all, brand is what customers see first and memorize most, responding to it on emotional level, which is especially true for brands in brewing industry. Moreover, in terms of ethical corporate communications, this notion is also supported by the fact that consumers' emotional response and responsible consumption are mostly influenced by their perceptions of brand social responsibility, which often triggers marketers to implement elements **CSR** into corporate communications techniques, aimed at creating a strong image on brand level.

As for the hidden advertising, it can be understood as all possible information about a brand, company, product, service or person that appears in all possible types of information sources and is not marked as an advertising product, meaning, is not native advertising, is not in the advertising section, has no mention of the advertising nature of the description, has no message "on the rights of advertising", etc. This means that recipients of such information will not receive evidence of ordering or paying for the publication of such material. Such material is aimed

at improving/deteriorating or creating a positive/negative image of the object of hidden advertising.

As such, an information drive provided by the company through its own activities and as part of its public relations strategy cannot be called advertising; however, the opposite cannot be stated with certainty as well. If the term is interpreted in accordance with the law, advertising is information about a person or product, spread in any form and in any way and intended to form or maintain the awareness of consumers of advertising and their interest in such person or product [21]. Therefore, if the activity is intended to raise awareness and maintain interest in the company, it cannot be wrong to state that the information drives that arise as a result of the company's activities strategic, operational, marketing financial, ipso or facto can promotional.

Due to the tightening of bans and restrictions on advertising, the marketing of alcoholic beverages is conducted not only through traditional media, but all the more often through sponsorship, PR events and hidden advertising. We can conclude that ethical corporate communications of Ukrainian brewing companies are characterized by a high level of activity and meet legal requirements. Numerous nominations and high positions in Ukrainian and ratings reputation international on stability, environmental programs and programs for the implementation of social responsibility and corporate sustainability initiatives can serve as proof of this statement.

It should be noted that certain CSR programs are not the only type of sponsorship of companies in the industry, but it cannot be said that other sponsorship activities are related to ethical corporate communications. This statement may relate to the area of sponsorship, holding and broadcasting of mass events, concerts, sports competitions, etc. A clear example of sponsorship of companies in the industry is the support of mass sports events, championships, matches and even sports teams and national teams. However, it would not be a mistake to say that this type of sponsorship, cooperation and collaboration is not based on corporate social responsibility initiatives, but is of an advertising nature.

Therefore, the management of ethical corporate communications of Ukrainian brewing companies is aimed at the development and diversification of activities, partly due to the fact that under the conditions of legal regulations, the scope of advertising is limited and strictly determined. The implementation of CSR initiatives can not only serve a direct purpose, but also provide information drives that are not related to advertising, yet meet its purpose.

#### 6. Conclusion

Based on the results of the presented study, we can conclude that ethical management of corporate communications is a concept according to which the company acts as a public entity that has the appropriate rights and responsibilities and is based on the company's key values, mission and vision, which, in turn, effect the formation of corporate strategy, influenced by ethical principles and concepts of corporate social responsibility.

According to Ukrainian legislation, brewing companies are clearly regulated in their advertising activities, and, therefore, are forced to seek the use of indirect forms of advertising technologies and increase the scale of their own communication platforms through sponsorship and management of ethical corporate communications. In this regard, CSR proves to be a vital tool for ethical corporate communications, performing significant positive influence on ethical corporate brand identity and overall reputational stability of companies in Ukrainian brewing industry.

In further research, it would be important to study the issue of ethical corporate communications management and influence of CSR on reputation for various categories of ethically sensitive products, for example, diamonds and other luxury goods, or fair trade commodity-based goods, such as chocolate and coffee, as those categories are very often prone to be influenced by the phenomena of greenwashing. Moreover, it is necessary to further study the ontology and conceptualize the analogue of green flirtation (greenwashing) in relation to philanthropic social responsibility of companies, involved in the production of so-called adhesive goods, which law forces to state the harmfulness of their products for health.

In conclusion, we would like to emphasise that companies should consider ethical management of their corporate identity not only to meet economic motives, but also from the standpoint concentrating on public goods and supporting and with communication cooperation stakeholders, focused on meeting public needs and sustainable development goals independent of the nature of their product. After all, it is ensuring mutual understanding between the company and improvement stakeholders through the development of social responsibility that can increase the competitiveness of the company and stimulate the loyalty of its stakeholders.

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