

# **Standardization or Localization? Using Corporate Philanthropy to Build the Reputation of Global Firms<sup>1</sup>**

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## **Abstract**

Corporate social responsibility (CSR) has become a key component of a firm's reputation. The reputational vulnerabilities and pressure for CSR are perhaps greatest among multinational firms with business activities across many countries and cultures. Although the strategies of firms entering new markets have been well researched, the CSR component of the market entry decision has been largely ignored, despite its significant relationship with the financial performance of the firm. Further, previous research has largely considered CSR from an environmental performance point of view, and thus has focused on a minimum *level* of investment in CSR as opposed to the optimal *form* of the investment. Our paper seeks to address this gap by examining market entry decisions as they relate to corporate philanthropy.

Keywords: Philanthropy, Corporate Social Responsibility, Market Entry, MNCs, Localization, Standardization

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