



Impact Of CSR Initiatives On Enhancing Company's Brand Value

Varsha Sharma Research Scholar Institute of Business Management and Commerce, Mangalayatan, University, Aligarh – 202146, Email :- varsha.sarkar3@gmail.com

Dr. Sidharth Jain Professor, Institute of Business Management and Commerce, Mangalayatan University, Aligarh – 202146, Email :- siddhartha.jain@mangalayatan.edu.in

Dr. Soni Singh Assistant Professor, Department of Biotechnology & Life Sciences, Mangalayatan University, Aligarh – 202146, Email :- soni.singh@mangalayatan.edu.in

Mr. Love Mittal Assistant Professor, Department of Computer Science & Engineering, Mangalayatan University, Aligarh – 202146, Email :- love.mittal@mangalayatan.edu.in

Abstract: CSR activities play a vital role to build up strong brand reputation and favorable brand image and increase the brand value of the company. In marketing perspective, CSR initiatives are considered as an effective tool to raise firms' reputation from consumers and their brand image; so it eventually increases the evaluation of the firm's brand value. The new economic and social context in which companies operate requires a new way of understanding and managing the brand. The purpose this paper is to understand the implication of corporate social responsibility in creation of better brand value and its translation into the four proponents of Prabhandan-Perspective, Principles, Policy and Procedures of a company. This study expands the understanding of CSR effect on the brand value creation.

Keywords: Corporate Social Responsibility (CSR), Brand value, Brand building Sustainability.

Introduction: In today's competitive world many corporations are engaging themselves in socially responsible behavior as a part of their normal business operations. These activities include positive actions toward the environment, social causes and their communities. It also covers corporate governance, working conditions, environmental sustainability, and more. Being socially responsible brings recognition to the company. It shows that your company is more than just profits. Corporate Social Responsibility (CSR) can benefit companies through promoting a positive public image while creating a workplace with satisfied employees,

happy customers and lower costs. It can be a win-win scenario for both the companies and their stakeholders.

The purpose of Corporate Social Responsibility is to give back to the community, take part in philanthropic causes, and provide positive social value. Businesses are increasingly turning to CSR to make a difference and build a positive brand around their company. Corporate Social Responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practicing Corporate Social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society including economic, social and environmental. CSR helps both improve various aspects of society as well as Promote a positive brand image of companies.

Corporate social responsibility is a broad concept that can take many forms depending on the company and industry. Through CSR programs, philanthropy, and volunteer efforts, businesses can benefit society while boosting their brands image. CSR initiatives can help forge a stronger bond between employees and Corporations boost morale, and aid both employees and employers in feeling, more connected to the world around them. CSR is a business practice that calls your potential customers in and asks them to first invest. The ultimate purpose of CSR is to maximize shared value among, organizations employees, customers, shareholders and community members.

Literature Review

The need for Corporate Social Responsibility has been created through many challenges with issues in the environment, such as global warming, energy usage, and the elimination of waste products. Social causes may include hunger, natural disasters, and childhood diseases. European Commission (2011, P.3) defined CSR as “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.

A message that communicates the CSR actions of a self-enhancement brand would have a dual motivational effect. On the one hand, the self-enhancement brand would have a dual motivational effect.

Brijlal Mallik, Dasarathi Sahu (2018) revealed that Corporate Social Responsibility is going to a backbone of business firms and people can influence the positive business practices and CSR initiatives. Many firms now a day are using CSR to gain competitive advantage for establishing long lasting relations with their stakeholders. It is obviously through enhancement of brand image of the product and general image of the firm by proving self socially responsible through CSR. It can be said that CSR has a positive link between social responsibility and brand value. Corporate Social Responsibility has positive constructs

under brand image as brand loyalty brand performance, brand awareness and corporate image.

Arijit Goswami and Bhavna Prajapati (2019) analyzed that Corporate Social Responsibility is a concept that has attracted worldwide attention and acquired a new resonance in global economy. The globalization has given way to tremendous opportunities and has also opened door for countries across the globe. This study, explained a proper framework that how corporate social responsibility creates the brand image towards their prospective consumers.

Corporate Social Responsibility is a multidimensional subject and for the purpose of this study CSR has includes employees, customers, legal and ethical issues, environmental values. The study is concern about the profit making of the firms which is possible through the way of Corporate Social Responsibility. The study states if Indian company will focus on CSR initiatives than definitely a strong business base must be made.

Various definitions of a brand exist in literature. According to Kotler (cited in Keller, 1993) a brand is a: name, term, sign, symbol or design and combination , of them which is intended to identify the goods and services of one seller or group of sellers and to differ initiate them from those of competitors. Brand value is considered to be the net present value of estimated future cash flows attributable to the brand. Brand value is also referred to as brand equity. Brand equity is referred as a term which explains the relationship between customers and brands.

Even though corporate Social is not a new concept, it has evolved and is known under many different names like corporate citizenship, corporate initiatives, corporate responsibility, corporate community initiative, and corporate social performance. It is generally accepted that today's marketplace is composed by similar products and services. For this reason, many companies invest in CSR to add a differential value to their goods or brands.

Triple Bottom line theory and Brand Value

Triple bottom-line (TBL) emphasizes corporate social responsibility. It nudges organizations to consider social and environmental impacts along with the obsession for profits. TBL recommends focusing equally on the three Ps: People, Profit and the planet. By balancing people, profit and planet, it's possible to build a more sustainable business model and a circular firm.



Triple Bottom Line Explained

1. People: companies are liable for the well being of society, and its people
2. Profits: It is every company's responsibility to pay its lenders, operational creditors and employees.
3. Planet: It is considered with the location, i.e., the area, city or state in which the company is located.

In 1994, John Elkington developed TBL as an accounting framework. Elkington was an entrepreneur and author. Triple Bottom Line aims to incorporate sustainable accounting in business, i.e. in social, environmental and economic aspects.

The triple bottom line (TBL) is sustainability based accounting method that focuses a people, profit and planet. The triple bottom line differs from traditional reporting frameworks because it includes ecological and social aspects that are often difficult to measure. In economics, the triple bottom line (TBL) maintains that companies should commit to focusing as much on social and environmental concert as they do on profits.

The triple bottom line aims to measure the financial social and environmental performance of company overtime. TBL may result in retaining employees, increasing external investments, boosting sales and gaining long-term operational efficiencies.

Four proponents of prabhandan Perspective

The corporate world is now reaching out to the community and philanthropy is no longer limited to signing cheques. The commitment is getting much deeper large section of

employees, including members of the top management are now doing their bit for the causes close to their heart. There are three emerging perspectives that inform CSR :

Firstly, business perspective that recognizes the importance of reputation capital for capturing and sustaining markets. Thus, corporate Social Responsibility is basically a new business strategy to reduce investment risks and maximize profits by taking all the key stakeholders into confidence.

The second is an eco-social perspective. The proponents of this perspective are the new generation of corporations and the new economy entrepreneurs who created a tremendous amount of wealth in a relatively short span of time. They recognize the fact that social and environmental stability and sustainability are two important prerequisites for the sustainability, of the market in the long run.

There is a third and growing perspective that shapes the new principles and practices of Corporate Social Responsibility. This is a rights based perspective on corporate responsibility. This perspective stresses that consumers, employees, affected communities and shareholders have a right to know about corporations and their business. Corporations are private initiatives, true, but increasingly they are becoming public institutions whose survival depends on consumers who buy their products and shareholders who invest in their stocks. This perspective stresses accountability, transparency and social and environmental investment as the key aspects of corporate social responsibility.

There are no indicators of measurement to help evaluate the CSR initiatives but increasingly the companies are building an integrated model that is in alignment with the business processes and functions.

Principles

There are three major dimensions of social responsibility: the social, environmental and economic dimensions. The enterprise should comply with all the legal compliances, local, international in accordance with the fixed and specific procedures. Company should acknowledge and accept the diversity of related stakeholders. Companies should have the proper transparency in the CSR activities and the objective of the company should be well communicated. CSR should build skills in the workforce. Business should govern and conduct themselves with Ethics, transparency, and accountability. Companies should provide a workplace environment and well-being of the environment it should maintain work life balance of its employees. Companies should increase continuous skill and competence upgrading; companies should focus on the inclusive growth. Companies should engage and provide with values to their customers and consumers in a responsible manner.

Policy

The company should comply with all regulations, related laws and internal rules, fair corporate practices and earn the trust of stakeholders such as customers, shareholders, employees, business

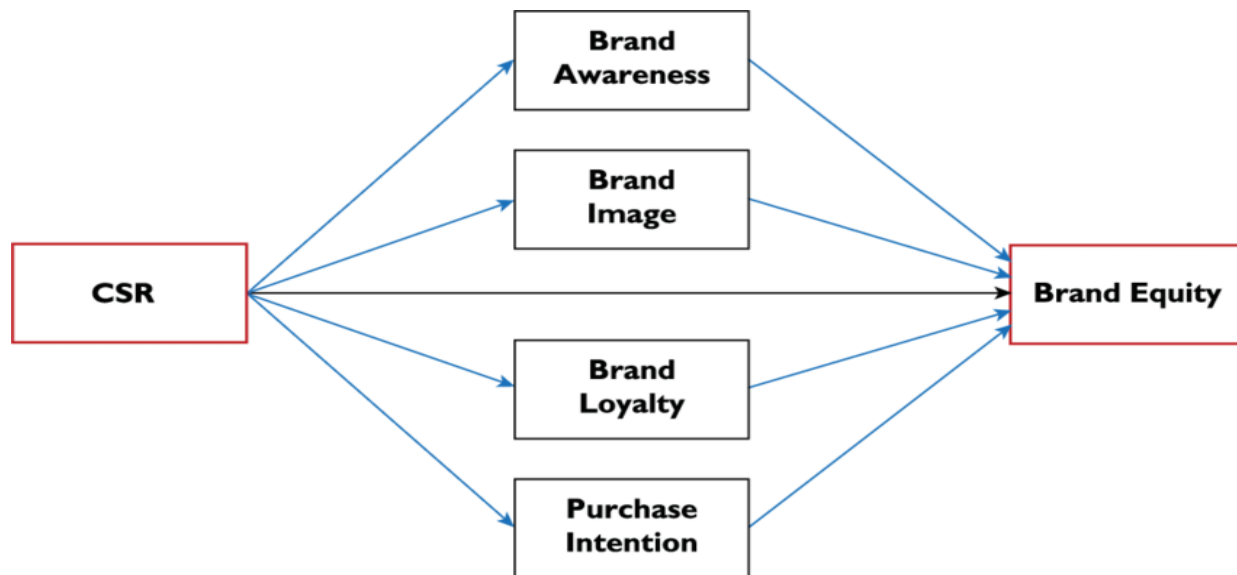
partners, and society with trustworthiness. The company's policy should provide valuable products and services with superior quality and safety to society, endeavoring to increase the satisfaction and trust of our customers and contributing to the healthy development of society. The business should respect diversity and individual human rights and provide a healthy and safe working environment in which all persons receive fair treatment without discrimination. Disclose business information in a timely and fair manner to all the stakeholders.

It will also conduct reliable financial reporting through accurate accounting processes. Top management and employees in managerial positions within each department must understand that they play an essential role in fulfilling all the policies.

Procedures

Organizations should design their communication channel so that it should not create any misunderstanding and all the messages should be delivered clearly and efficiently companies should implant a separate department for the successful implementation of all the programs of the CSR. Board members should be aware of the CSR risks and the opportunities. One should make the CSR program to be as simple as possible because implementations of difficult programs are hard to apply. One should run his/her business with full dedication and honesty. Inclusive growth welfare of the employees, continuous training will make them feel highly motivated and also make them focused towards the goal of the organization. Ethical standard approach should be adopted by the companies. Ethics can be embedded in organizational strategy, and decision making process. Communicate CSR commitments to internal and external stakeholders. Review and approve CSR reports, ensuring that CSR disclosure covers material risks and complies with CSR reporting standards.

In the era of expended information, business activities have pressure in many areas not only on profitability but also on social and environmental impact. Good publicity on employee and environmental management significantly bring a higher positive response. CSR creates a huge impact on the performance of brand value.



Research Methodology

The study attempt to explore how the concept of CSR may be adopted in Indian context to supplement to the company’s regular CSR activities. The study is based on the secondary data. Across sectional descriptive research methodology is applied for this research. The main objectives of the study are: To study and understand the relationship between CSR initiatives and brand value and brand awareness.

Findings and Suggestions

It is well established worldwide that businesses cannot progress at the cost of society or the environment. Most nations are on board with Corporate Social Responsibility initiatives that are good for the employees, consumers, businesses, and society. Brands are integrating societal and environmental goals into their operations to help reduce waste, enhance reputation and identity, attract top talent, and increase their bottom line.

Corporate Social Responsibility helps to develop a long- term brand image of a company. Examples of these are Starbucks and Tata. These two companies are known for the CSR plans a great work culture, and a responsibility towards society. These two provide excellent examples of CSR applications towards employees, customers, and the community. The CSR campaigns must influence a positive impact on the communities directly or indirectly affected by it. It is getting clearer that CSR is getting strong marketing and branding play. It may be the answer to the brands looking for a boost.

Don’t use CSR opportunities solely for marketing purposes. Running a corporate social responsibility campaign as a quick marketing scheme can backfire if your business doesn’t follow through. Instead of trying a one-time stunt, adopt socially responsible business

practices overtime. Employees and consumers react positively to companies that embrace long-term social responsibility. It often found that the main concern of CSR is with regard to branding and image building of the business along with its value creation. Whereas on the other hand the role of training and development is mostly related with smoothening the business functions and its development. Indian corporate world needs to reassess its training and development functions.

Conclusion

The current CSR debate is clear evidence of missed opportunities to leverage CSR towards enhancing brand value. CSR covers five main areas: environment, community, employee welfare, financial performance and corporate governance. The study indicate that, in order to enhance the brand image, a company needs to maintain and improve ethical responsibilities including ensure the quality of the products and services so that they are safe and not threatening to physical and mental health of buyers.

There are broad array of activities in respect to Corporate Social Responsibility, perception of stakeholders naturally varies, as socially responsible corporate behavior may mean different things to different people at different places and times. Many researches showed that CSR in the form of community or diversity programs is more likely than CSR in the form of governance, employee relations, or product relations to provide insurance against negative events affecting the reputation of the corporation. Business leader face competing demands for resources dedicated to CSR initiatives. By linking CSR activities with increased brand value, or developing new sources of enhancing brand value, companies can gain a competitive advantage. Companies are losing out because there is often little or no integration between CSR and marketing department and their respective strategies. This leads to missed brand value building opportunities.

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