IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON BRAND EQUITY

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ABSTRACT

The purpose of this research paper is to find out about the impact of Corporate Social Responsibility activities on Brand Equity by examining the correlation between CSR and Brand Equity. Brand Equity being a dependent variable in this research article is measured by many independent variables like Brand loyalty, Brand awareness, Brand Association, Perceived Quality and Overall Brand Equity. So many Indian companies are involved in CSR activities in order to provide sustainable social development benefits to the society in which they are operating. These companies are investing and managing their CSR initiatives for the upliftment of the society. On the other hand the users of the products of these companies are also found to be brand loyal. Using empirical testing the data gathered from consumers and information collected on companies engaged in CSR activities the research found out that that there is a very strong correlation between CSR and Brand Equity. The companies who are investing on CSR activities are enjoying good consumer loyalty and the Brands they operate enjoy healthy profits and sustainable market position. It has been proved that the model tested in this paper will be implied in the future empirical research concerning CSR and its impact on company's profitability and Brand sustain comparative advantage.

Keywords: Correlation of CSR with Brand equity, Indian companies in CSR, Social upliftment

Introduction

Corporate Social Responsibility (CSR) is all about stakeholder accountability, transparency in all dealings and sustainability. All this creates a 'responsible' halo around the business and helps companies build trust. It provides a platform of moral uprightness and establishes a company's reputation in the minds of customers and employees. And this is absolutely crucial for brands as it helps to attract and engage with customers on a continuous basis.

Companies must understand the two pronged approach that brand building calls for. Firstly, it is important to go about establishing the unique position of their brands in terms of quality or service or credibility in the minds of consumers. Secondly with CSR, companies must establish themselves as good corporate citizens. When a company can directly influence a particular problem or work towards a solution, it helps build a reputation and CSR in conjunction with regular branding activities can play a hugely influential role in impacting peoples' perceptions of a company, product or service.

A corporate or brand's reputation is only as good as what exists in the public mind today. Maintaining it requires consistent and committed efforts which may be challenging as the business grows and other

complexities demand more attention, subjecting the brand to vulnerability. By understanding stakeholder expectations, CSR can predict and pre-empt possible issues in the future and mitigate risks very early on.CSR India is a leading social enterprise that focuses on sustainable business practices in Asia. So check out the top Asian nations in CSR disclosure. In India we find surprisingly high levels of disclosure, particularly from large companies with recognized brands such as Tata and Infosys. Leading oil companies also have reasonable levels of disclosure.

Objectives of the Paper:

1. To study that how CSR strengthen the brand equity.

2. To analyze the impact of CSR on brand equity.

Research methodology-

This research paper is based on the Primary and secondary sources of data collected from the employees and consumers of the companies. While secondary data through Books, Journals, various research papers, different reports published by Govt. & other agencies, newspaper & internet.

Development of Null and Alternative Hypothesis:

H_0: There is no significant relationship between Corporate Social Responsibility and Brand Equity

H_1: There is a significant relationship between Corporate Social Responsibility and Brand Equity

Data Analysis:

Frequencies;

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
MALE	113	75.3	75.3	75.3
FEMALE	37	24.7	24.7	100.0
Total	150	100.0	100.0	

Age	Frequency	Percent	Valid Percent	Cumulative Percent
18-20	18	12.0	12.0	12.0
21-23	76	50.7	50.7	62.7
24-27	49	32.7	32.7	95.3
28-31	7	4.7	4.7	100.0
Total	150	100.0	100.0	

QUALIFICATION		Frequency	Percent	Valid Percent	Cumulative Percent
	BBA	39	26.0	26.0	26.0
	MBA	111	74.0	74.0	100.0
	Total	150	100.0	100.0	

COMPANY. BRAND		Frequency	Percent	Valid Percent	Cumulative Percent
	SAFEGUARD	33	22.0	22.0	22.0
	PAMPERS	21	14.0	14.0	36.0
	SHELL	22	14.7	14.7	50.7
	TELENOR	56	37.3	37.3	88.0
	PTC	18	12.0	12.0	100.0
	Total	150	100.0	100.0	

EXPLANATION

These are the frequencies of different categories used in the data analysis.

➢ Total sample size was 150 consumers who filled the questionnaires.

➢ The analysis was conducted from both male and female in which total no of male respondents were 113 and female respondents were 37 out of 150

➢ We classified it into different age categories. From 18-20 the no of respondents were 18, from 21-23 were 76, from 24-27 were 49 and from 28-31 were only 7 respondents.

➢ There were two categories in our analysis. One was bachelors and one was masters. The total respondents of bachelors were 39 whereas the masters were 111 respondents.

➢ We took 5 current companies who were involved in the CSR activities. The total respondents who selected SAFEGUARD were 33, PAMPERS 21, SHELL 22, TELENOR 56 and PTC 18 respondents.
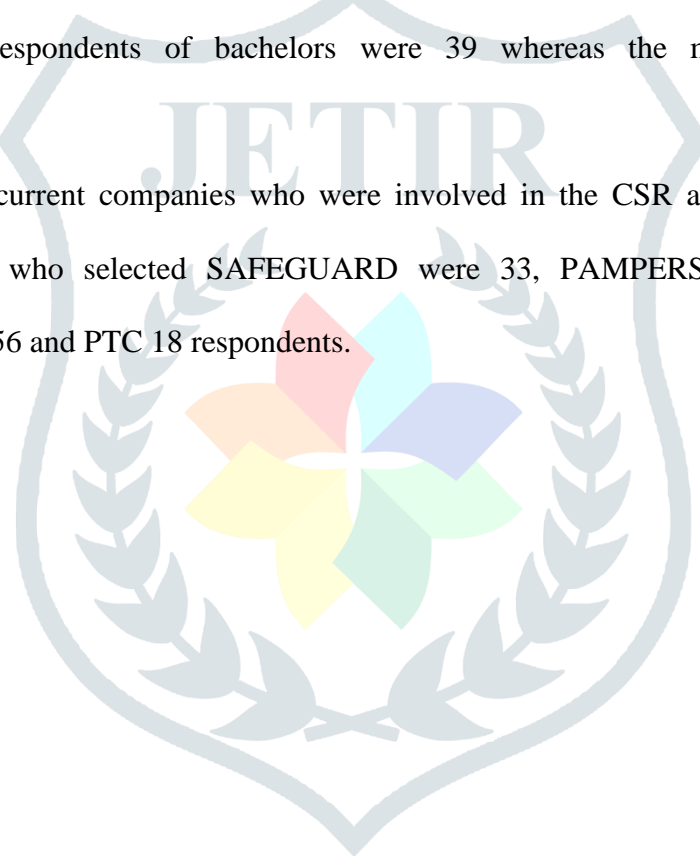
Reliability Test

First of all the reliability test is applied on the collected data to check whether the collected data is fit for the further analysis or not the following tables gives the descriptive information about reliability of the data.

Case Processing Summary

		N	%
Cases	Valid	100	84.0
	Excluded[a]	19	16.0
	Total	119	100.0

a. List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.980	18

The reliability statistic table shows the Alpha value of .980 which is more than .6 that means the collected data is fit for the further testing and analysis.

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
42.28	304.264	17.443	18

Scale statistics table gives the descriptive statistics about all the selected data from different respondents.

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.978[a]	.956	.955	.20177

a. Predictors: (Constant), FACTOR INFLUENCE SALES PROMOTION

Model summary table describe how perfectly the modal fits for the analysis. R shows the degree correlation between the factor influence the CSR AND BRAND EQUITY. The value of R is .978 which shows that there is high degree of relationship between the CSR and Brand Equity taken into consideration.

ANOVAª

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	85.868	1	85.868	2109.115	.000ᵇ
	Residual	3.990	98	.041		
	Total	89.858	99			

a. Dependent Variable: SALESPROMOTIONACTIVITIES

b. Predictors: (Constant), FACTORINFLUENCESALESPROMOTION

INTERPRITATION

Anova table analyze the difference in the value of mean of dependent variable and independent variable.

The calculated value of F 2109.115 is more tabulated value.

Coefficientsª

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.088	.052		1.673	.097
	FACTORINFLUENCESALESP BRAND EQUITY	.906	.020	.978	45.925	.000

a. Dependent Variable: SALES PROMOTION ACTIVITIES

ANALYSIS1

Coefficient table describes the direction of the relationship between dependent variable and independent variable. And from table we easily conclude that there is high degree of positive correlation between the variables.

RELIABILITY OF BRAND EQUITY AND CSR

Variables	Cronbach's Alpha
CSR with Brand Equity	0.777

ANALYSIS2

Cronbach's Alpha being a reliability coefficient and indicates how positively items are correlated. A value close to 1 indicates the strength of reliability in this test.

Cronbach's alpha .777 indicates that there is higher internal consistency reliability of Brand Equity.

CORRELATION BETWEEN CSR AND BRAND EQUITY

Correlation	Mean	Std. Deviation	Sig(2-tailed) overall B.E[*]	Sig(2tailed) CSR[*]	Pearson Correlation Overall B.E	Pearson Correlation CSR
CSR	4.7960	0.95467	.000 *P-Value*		.514**	
Overall B.E	5.1995	0.75167		.000 *P-Value*		.514**

**. Correlation is significant at the 0.01 level (2-tailed)

*Brand Equity and Corporate Social Responsibility

INTERPRETATION:

Correlation examines the relationship between two variables. After the analysis, the result shows that CSR has a mean of **4.7960**, Std. Deviation of **0.95467** and Overall B.E have a mean of **5.1995**, Std. Deviation of **0.75167**. The p-value must be less than 0.05 and in the above result the p-value is 0.000 which is less than 0.05 which means that Corporate Social Responsibility and Brand Equity are highly correlated at the value of **.000**

REGRESSION BETWEEN CSR AND OVERALL BRAND EQUITY

Regression	R	R^2	Beta	F	Sig.
1 Overall B.E [b]	0.514	0.264	0.514	53.190	.000[a]

a: predictors: CSR1mean

b: Dependent variable: Overall Brand Equity

INTERPRETATION:

In this model, it shows the variable used as predictors and dependent variable is the outcome of Corporate Social Responsibility. R is the multiple regression coefficients and its value is 1, in the result R is .514 which predicts Overall Brand Equity very well. R square has a value of 0.264 which means 26% of change in Brand equity comes only through Corporate Social Responsibility. The p-value or the sig value (.000) is much less than 0.05 which means 5% type 1 error rate was 5% false positive rate and this means that the significance level between Corporate Social Responsibility and Brand Equity is 100% significant

Implication / Application of result findings:

1. These findings of the result will help companies to consider in maximizing their CSR initiatives and build brand equity and invites to apply to both private and public sectors.

2. Build institutional capacity for Corporate Social Responsibility

3. Conduct "properly structured, ongoing stakeholder dialogue" as part of developing a Corporate Social Responsibility strategy.

4. Build Corporate Social Responsibility into core of company business model.

5. Build stronger partnerships with NGOs, with local communities, and "with any stakeholder who can add value to the business"

6. Involve stakeholders in innovative strategies and projects "to create productive change"

Conclusion

In our research, we tested our findings collected by questionnaire method with SPSS software to check the reliability, Correlation and Regression between Corporate Social Responsibility and Brand Equity. Although Corporate Social Responsibility does not have a direct impact on Brand Equity but they are somehow, interlinked with each other. In our results, it showed that Corporate Social Responsibility and Overall Brand Equity (Brand Loyalty, Brand Awareness, Brand Association, Perceived Quality) with a Cronbach"s Alpha of **0.777** is highly reliable whereas, the correlation between Corporate Social Responsibility and Overall Brand Equity with a significance level of **0.000** shows that they are highly correlated with each other.The regression analysis predicts Overall Brand Equity very well with the value of **0.514 (R)**. R square has a value of **0.264** which means **26%** of change in Brand equity comes only through Corporate Social Responsibility. The **p-value** or the sig value **(.000)** is much less than 0.05 which means 5% type 1 error rate was 5% false positive rate and this means that the significance level between Corporate Social Responsibility. Our research is the first step for resolving the difference among the existing literature. We have indicated in our theoretical framework where Corporate Social Responsibility has a positive, neutral or negative impact on Brand Equity

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