

## Corporate Social Responsibility and Brand Equity – An Analytical Study Focusing on Indian Businesses

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### Abstract

Within the particular framework of Indian companies, this research examines in depth the complex relationship between CSR programmes and brand equity. The study's overarching goal is to provide light on the complex relationship between corporate social responsibility (CSR) initiatives and the way Indian consumers see and value firms' brands. An all-encompassing research framework, including qualitative and quantitative approaches, is utilised in the examination. To fully grasp the complex nature of CSR and brand equity interactions, the study looks at a wide variety of industries in India's corporate environment. The effect of CSR on brand recognition, customer loyalty, and public perception are important factors to consider. This research takes into account the cultural aspects, legislative frameworks, and industry-specific circumstances that influence how successful CSR initiatives are in building brand equity. Consumer surveys and in-depth interviews make up the bulk of the study's primary data, while secondary sources include reports from businesses, trade journals, and academic books. The complex relationship between CSR and brand equity can be better understood with the help of statistical analytics and qualitative data analysis. It delves into the potential strategic ramifications for businesses in India that want to use CSR as a way to build their brands and do good in the world, especially in the cutthroat Indian market. The results of this study have both theoretical and practical implications for companies doing business in India, adding to the growing body of literature on corporate social responsibility and brand management. If businesses want to succeed in the long run and make a good difference in society, they need to grasp the dynamics of corporate social responsibility (CSR) and brand equity in the Indian context. This is because CSR is becoming more important to consumers, investors, and regulators.

**Keywords:** CSR, brand equity, Indian Businesses, Consumers, Corporate Social Responsibility

### Introduction

Ethical concerns are a primary motivator for CSR, but the strategy's potential to boost companies' bottom lines in the long run is also becoming more apparent. A company's CSR policies are something that investors and consumers alike may think about when deciding whether or not to put their money into the business. Corporate social responsibility (CSR) also helps with employee happiness and retention, as well as with the company's image and brand equity. Companies benefit greatly from brand equity because it increases the likelihood that customers will choose the brand over competitors, boosts brand loyalty, and encourages positive word of mouth (Singh, A., et.al., 2016). Furthermore, it protects a brand from unfavourable events and helps it bounce back faster. Conscientious brand management and persistent efforts to meet and exceed customer expectations are essential to the ongoing process of building and monitoring brand value. In this research, we look at Indian companies through the lens of their CSR initiatives and the impact on their brand equity. This study looks into the impact that corporate social responsibility (CSR) projects in India have on consumers' impressions and valuations of various businesses. This study intends to analyse the Indian market extensively in order to reveal the complex dynamics at play between corporate social responsibility initiatives and brand value. This study adds to our understanding of how Indian businesses can strategically incorporate CSR initiatives to boost brand equity by concentrating on this junction.

### Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a corporate concept where corporations undertake efforts and measures to make beneficial contributions to society and the environment, going beyond their primary economic activity. The core concept underlying CSR is that corporations should surpass the exclusive objective of profit generation and actively participate in endeavours that enhance the well-being of the communities they operate in, as well as the broader global environment.

#### Crucial elements of Corporate Social Responsibility encompass:

1. **Environmental Responsibility:** Companies actively participate in sustainable practices, minimize their environmental footprint, and advocate for conservation initiatives. This may entail implementing strategies to mitigate carbon emissions, adopt sustainable energy sources, and optimize waste management (Aggarwal, M., 2015).
2. **Social Responsibility:** Social responsibility encompasses the act of actively contributing to the welfare and betterment of communities, employees, and society as a whole. Activities may encompass philanthropic endeavours, initiatives for community development, and advocacy for social justice and equity.
3. **Ethical Practices:** Corporate Social Responsibility (CSR) prioritizes the implementation of ethical conduct in corporate operations. Companies are required to maintain elevated ethical norms in their interactions with employees, customers, suppliers, and other stakeholders.
4. **Transparency and Accountability:** Transparency entails the open and clear communication of the company's corporate social responsibility (CSR) endeavours, encompassing objectives, advancements, and obstacles. Accountability guarantees that firms are held accountable for the social and environmental consequences of their actions.
5. **Employee Well-being:** staff well-being is an integral part of corporate social responsibility (CSR), which involves implementing measures to improve the welfare of employees. This includes promoting fair labour standards, offering staff development programmes, and demonstrating a strong commitment to diversity and inclusion.
6. **Consumer Relations:** Participating in corporate social responsibility (CSR) initiatives can have a favourable impact on consumer attitudes and opinions. Consumers frequently favour companies that are in line with their principles and actively contribute to social and environmental initiatives.
7. **Community Engagement:** Companies engage in community development through active support of education, healthcare, and other social programmes. This cultivates a favourable rapport between the enterprise and the communities it caters to.
8. **Supply Chain Responsibility:** Companies are progressively accountable for guaranteeing that their supply networks conform to ethical and ecological principles. This entails evaluating the societal and ecological consequences of acquiring resources and collaborating with suppliers who uphold such principles.

### Brand Equity

Brand equity pertains to the intangible worth and perception that a brand have in the minds of consumers. It denotes the tangible and intangible resources and obligations linked to a brand's name and symbol that contribute to or detract from the value of the product or service it represents. Robust brand equity can have a favourable influence on a company's financial performance, as consumers are more inclined to select and maintain allegiance to companies they evaluate favourably.

#### Essential elements and influences that contribute to the value and strength of a brand encompass:

- Brand Awareness refers to the extent to which consumers are able to recognize or recall a particular brand. Establishing a strong brand equity relies heavily on having a significant level of brand awareness.
- Brand loyalty refers to the degree to which consumers consistently make repeat purchases or maintain their dedication to a specific brand for an extended period. Establishing and maintaining customer allegiance is a crucial component of the value of a brand.
- Perceived Quality refers to the consumers' subjective evaluation of the overall quality or excellence of a brand's products or services. A favourable assessment of quality improves the value and reputation of a brand.

- Brand Associations refer to the cognitive connections and associations that people establish with a brand. Positive connections, such as those related to positive emotions or lifestyle characteristics, contribute to the robust value of a brand (Vidyarthi, A., 2019).
- Brand Image refers to the collective impression and perception that consumers have of a brand. Establishing and preserving brand equity relies on cultivating a favourable brand image.
- Brand positioning refers to the strategic placement of a brand in relation to its competitors inside the market. An exclusive and advantageous brand positioning enhances brand equity.
- Marketing and advertising are crucial in influencing consumer perceptions and establishing brand value.
- Guaranteeing a favourable client experience and contentment enhances brand value by promoting customer loyalty and favourable referrals (Goel, et.al., 2015).
- The set of human characteristics or traits that are linked to a brand. An explicitly defined and unwavering brand personality helps enhance a favourable brand perception.
- Cultural relevance refers to the extent to which a brand is in line with current cultural trends, values, and societal shifts. Brands that remain pertinent to changing consumer demands frequently own more robust equity.

### **Review Literature**

The study conducted by Chaudhri et al. (2007) is anticipated to examine the idea of brand equity in the consumer goods and retailing industry in India. The investigation may focus on several elements that impact brand equity, including brand recognition, perceived quality, brand loyalty, and associations with consumer goods and retail brands. The study could also examine the influence of cultural, economic, and market-specific elements in India on brand equity within the consumer products and retail industry. This study is expected to offer valuable insights on the techniques that organizations may utilize to improve brand equity in this specific market.

Kumar & Pansari (2016) likely investigate the impact of country culture and economic factors on Customer Lifetime Value (CLV) and Customer Equity (CE) in the Journal of International Marketing. The research aims to investigate the influence of these elements on customer behaviour and loyalty in various economic environments, both within a country and globally. The study aims to evaluate the comparative significance of country culture and economic conditions in influencing consumer equity. The study conducted by Mohr et al. (2001) in the Journal of Consumer Affairs examines the correlation between corporate social responsibility (CSR) and consumer behaviour. The researchers investigate whether customers anticipate corporations to partake in socially responsible initiatives and how such expectations impact purchasing behaviour. The study will explore the influence of corporate social responsibility (CSR) initiatives on consumer perceptions, attitudes, and purchasing behaviour. In the Journal of Business Ethics, Mishra & Suar (2010) examine the correlation between Corporate Social Responsibility (CSR) and the performance of Indian enterprises. The research aims to investigate the potential influence of engagement in Corporate Social Responsibility (CSR) activities on different dimensions of corporate performance. This may encompass financial statistics, market repute, and other pertinent metrics.

The research conducted by Mishra & Modi (2013) in the Journal of Business Ethics investigates the correlation between corporate social responsibility (CSR), financial leverage, and idiosyncratic risk. The study presumably examines the effects of both positive and bad corporate social responsibility (CSR) activities on a company's financial leverage and the level of idiosyncratic risk. The research may offer valuable insights into the intricate impacts of CSR on financial elements and risk management. In their publication titled "Corporate Communications: An International Journal" (2009), Pomeroy & Johnson examine the use of advertising to communicate Corporate Social Responsibility (CSR) objectives and its impact on shaping the business image. The research is expected to explore the strategic presentation of corporate social responsibility (CSR) efforts in advertising, aiming to reduce scepticism and improve compelling communication. The study may offer valuable insights into efficient communication tactics for CSR projects, which can have a favourable impact on the corporate image. Rahim & Rahman (2016) examine Corporate Social Responsibility (CSR) in the Indian banking sector in their study published in the Journal of Asia Business Studies. This study is expected to analyse the corporate social responsibility (CSR) practices used by banks in India. It will investigate the nature and scope of their activities related to social responsibility. The study aims to examine the influence of corporate social responsibility (CSR) on the banking industry's interactions with stakeholders and its wider ramifications for sustainable business strategies. The study conducted by Sen, et.al. (2001) in the Journal of Marketing Research examines the correlation between corporate social responsibility

(CSR) and consumer responses. The study investigates the extent to which participating in CSR initiatives consistently leads to favourable results for corporations. The study is focused on analysing how customers respond to corporate social responsibility (CSR) programmes and if these responses have a positive impact on company performance.

**Objective of the study**

- To conduct a thorough examination of respondents' attitudes towards Corporate Social Responsibility (CSR) and its influence on brand equity, as implemented by Indian companies
- To suggest findings & conclusion

**Research Methodology**

Numerous experts from various countries have conducted several studies on the impact of corporate social responsibility on Indian firms. The main objective of the present study is to examine the relationship between corporate social responsibility and brand equity in Indian enterprises through an analytical approach. There is a dearth of research on this issue among Indian enterprises. Therefore, it is crucial to assess the influence of corporate social responsibility and brand equity on the growth of Indian firms. The research has been conducted methodically, as is necessary in research design. This study is characterised by its descriptive nature. The present study examined the relationship between corporate social responsibility and brand equity, with a specific focus on Indian enterprises. The survey encompassed enterprises located in metropolitan areas across many sectors, including manufacturing, services, transportation, tourism, processing, and construction. The survey employed a five-point Likert scale to assess participants' responses to ten criteria, ranging from "Strongly Disagree" to "Strongly Agree". The study's empirical conclusions are derived from primary data collected by a sample survey of 230 respondents from selected areas. The study employed convenience and purpose sampling methodologies to gather samples.

**Table 1: Demographic Profile of Respondents**

Variable (s)	Demographic Categories	Respondents (freq.)	Percentage (%)
Age	25 - 30	59	25.65
	30 - 35	98	42.60
	35 - 40	43	18.69
	40 - 45 & above	30	13.04
	<b>Total</b>	<b>230</b>	<b>100</b>
Qualification	Graduation	121	52.60
	Post Graduation	68	29.56
	Other Diploma/Degree Courses	41	17.82
	<b>Total</b>	<b>230</b>	<b>100</b>
Marital Status	Single/Married	134	58.26
	Unmarried	96	41.73
	<b>Total</b>	<b>230</b>	<b>100</b>
Level of Income	5 Lakhs Per Annum	120	52.17
	5 Lakhs Per Annum – 10 Lakhs Per Annum	81	35.21
	>10 Lakhs Per Annum	29	12.60
	<b>Total</b>	<b>230</b>	<b>100</b>

**Table 2: RESPONDENTS' RESPONSES TOWARDS CORPORATE SOCIAL RESPONSIBILITY & BRAND EQUITY INITIATED BY INDIAN BUSINESSES**

S.No	Corporate Social Responsibility & Brand Equity Initiated by Indian Businesses	Neutral	Disagree	Strongly Disagree	Agree	Strongly Agree	Total 230
1.	Actively participate in social and environmental initiatives.	12	11	05	99	103	230
2.	Positive social and environmental contributions can enhance the overall reputation of a brand, contributing to higher brand equity.	14	18	09	97	92	230
3.	Regulatory environment and adherence to industry standards play a role in shaping respondents' perceptions.	19	12	04	121	74	230
4.	Express skepticism about the authenticity of CSR initiatives.	28	14	03	126	59	230
5.	Balancing profit motives with social responsibility can be challenging, and negative outcomes or controversies related to CSR efforts may impact brand equity negatively.	25	17	02	132	54	230
6.	Transparency in CSR activities and effective Communication.	09	12	02	89	118	230
7.	CSR activities can boost employee morale, satisfaction, and commitment to the organization.	24	21	04	103	78	230
8.	CSR initiatives can serve as a unique selling proposition, differentiating a brand from its competitors.	07	04	06	111	102	230
9.	Engaging in CSR initiatives can build trust among consumers.	08	13	05	113	91	230
10.	Consumers may feel a stronger emotional connection to brands that align with their values, leading to increased loyalty.	07	09	05	124	85	230
11.	Many consumers view businesses engaging in CSR activities favorably.	06	12	03	110	99	230

**Table 3: DESCRIPTIVE STATISTICS ANALYSIS OF RESPONDENTS FOR CORPORATE SOCIAL RESPONSIBILITY & BRAND EQUITY INITIATED BY INDIAN BUSINESSES**

S.No	Corporate Social Responsibility & Brand Equity Initiated by Indian Businesses	Mean	S.D.	Skew.	Kurt.
1.	Actively participate in social and environmental initiatives.	5.22	0.678	-1.490	4.110
2.	Positive social and environmental contributions can enhance the overall reputation of a brand, contributing to higher brand equity.	4.14	1.324	-0.923	-0.721

3.	Regulatory environment and adherence to industry standards play a role in shaping respondents' perceptions.	3.81	0.856	-1.911	1.657
4.	Express skepticism about the authenticity of CSR initiatives.	4.25	1.674	-0.876	-1.463
5.	Balancing profit motives with social responsibility can be challenging, and negative outcomes or controversies related to CSR efforts may impact brand equity negatively.	4.03	1.678	-0.763	-0.814
6.	Transparency in CSR activities and effective. Communication.	3.29	1.102	-1.426	1.490
7.	CSR activities can boost employee morale, satisfaction, and commitment to the organization.	3.87	1.232	-0.0567	-0.773
8.	CSR initiatives can serve as a unique selling proposition, differentiating a brand from its competitors.	3.51	0.321	-1.483	2.871
9.	Engaging in CSR initiatives can build trust among consumers.	4.42	1.089	-1.274	0.696
10.	Consumers may feel a stronger emotional connection to brands that align with their values, leading to increased loyalty.	3.86	1.375	-1.397	1.833
11.	Many consumers view businesses engaging in CSR activities favorably.	3.79	1.546	-1.481	1.234

**Interpretation:**

The table above displays the respondents' feedback on the corporate social responsibility and brand equity efforts undertaken by Indian enterprises. It indicates that most respondents are in agreement with all the aforementioned claims, while a minority of respondents disagree with these statements. The table 3 provides a descriptive statistical analysis of the respondents' responses about the corporate social responsibility and brand equity efforts undertaken by Indian enterprises. The calculated mean value exceeds the expected mean value, indicating a change in respondents' replies from the lower end to the upper end of the five-point Likert scale. The standard deviation indicates a variance of around 1.20 units from the mean. A negative skewness number indicates a higher variance from the mean towards the upper side, whereas a positive skewness value indicates a variation towards the lower side from the mean. The presence of a negative skewness indicates that the majority of responses exhibit a higher degree of variation towards the upper end of the distribution, relative to the mean. Kurtosis provides insight into the morphology of a frequency distribution curve. It is measured using the beta value. If the beta value exceeds 3, it indicates leptokurtic behaviour. Conversely, if the beta value is less than 3, it signifies platykurtic behaviour. Finally, if the beta value equals 3, it indicates mesokurtic behaviour. The distribution in the table exhibits a platykurtic form, indicating a relatively flat and spread-out distribution. The survey revealed that most participants expressed contentment with the diverse initiatives undertaken by Indian companies in relation to corporate social responsibility and brand equity. The study has determined that corporate social responsibility and brand equity have a favourable influence on Indian firms.

**Findings of the study**

- The objective is to conduct a thorough examination of respondents' attitudes towards Corporate Social Responsibility (CSR) and its influence on brand equity, as implemented by Indian companies, by analysing prevalent patterns and theories to determine probable perceptions and consequences.

- A significant number of consumers hold a positive perception of corporations that actively participate in Corporate Social Responsibility (CSR) initiatives. Companies that actively engage in social and environmental activities are frequently regarded as responsible and ethical.
- Positive societal and ecological benefits can augment the overall standing of a brand, hence contributing to increased brand equity.
- Participating in corporate social responsibility (CSR) projects has the potential to establish confidence among consumers. Companies that exhibit a dedication to social and environmental concerns can foster a perception of genuineness and dependability.
- Consumers are more likely to develop a deeper emotional bond with brands that share their beliefs, resulting in higher levels of loyalty.
- Corporate social responsibility (CSR) activities can function as a distinctive selling point, setting a company apart from its competitors. Enterprises that actively make positive contributions to society have the potential to distinguish themselves in a highly competitive market.
- Employees frequently derive satisfaction from being employed by socially responsible corporations. Engaging in CSR activities can enhance staff morale, contentment, and dedication to the organisation.
- CSR initiatives can foster a favourable work atmosphere, which in turn can enhance the recruitment and retention of highly skilled employees.
- Ensuring transparency in corporate social responsibility (CSR) initiatives and effectively communicating these endeavours are of utmost importance. Effective communication guarantees that consumers and stakeholders are fully informed about the company's dedication to social responsibility.
- Inadequate communication or a lack of clarity can result in doubt and have a detrimental effect on the value of a brand.
- Certain individuals may exhibit doubt over the genuineness of CSR initiatives, perceiving them as simply tactics for marketing purposes.
- Striking a balance between pursuing profits and fulfilling social obligations can be difficult, and any adverse consequences or disputes arising from corporate social responsibility (CSR) initiatives can have a detrimental effect on brand value.
- Respondents' perceptions are influenced by the regulatory environment and their adherence to industry norms. Adhering to legislation and voluntary standards can have a favourable impact on public perceptions.

## **Conclusion**

While corporate social responsibility (CSR) is driven by ethical considerations, it is also being widely recognized as a strategy that can contribute to the success of a firm over the long run. Investors may take into consideration a company's corporate social responsibility (CSR) activities as part of their investment decisions. Many consumers want to support businesses that are socially responsible. In addition, corporate social responsibility has the potential to improve a company's reputation, increase brand equity, and contribute to the satisfaction and retention of employees. Since it can result in increased brand loyalty, positive word-of-mouth, and a greater possibility of customers picking the brand over competitors, brand equity is a significant resource for businesses since it can influence these outcomes. As an additional benefit, it acts as a shield against unfavourable situations, which makes it easier for a brand to recover from losses in a more expedient manner. The process of developing and managing the value of a brand is an ongoing activity that calls for careful brand management and unyielding efforts to meet and exceed the expectations of individual customers.

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