

A STUDY ON EFFECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON BRAND EQUITY (BE) AND FIRM PERFORMANCE (FP)

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Abstract

Corporate Social Responsibility (CSR): Self-administrative plan which allows organizations to be socially responsible to itself, partners and to open. It is a strategy for doing great business .The Companies Act (2013) contains detailed Section 135, “CORPORATE SOCIAL RESPONSIBILITY” Rules (2014) & Schedule VII” which endorses obligatory arrangements for organizations to fulfil social Responsibility. Service of Corporate Affairs thought of the altered Schedule VII Covering exercises to be performed by Companies as a piece of social responsibility. Some of the Exercises are:

- Decreasing unaffordability for nourishment, destitution and ailing health.
- Encouraging instruction, including custom curriculum and business upgrading job aptitudes particularly among youngsters, ladies, old, and the contrastingly able and job improvement ventures;
- Ensuring natural supportability, environmental parity, assurance of plants and creatures, welfare, agro forestry, protection of regular assets and keeping up nature of normal assets;
- Protection of national landmarks, workmanship, culture which incorporates care of structures and destinations of recorded significance, craftsmanship, advancement of customary expressions and handiworks;
- Helping the military veterans, war widows and their wards
- Keywords: CSR, Corporate Social Responsibility, Net Worth, Turnover, BE, Brand Equity.

Keywords: E-shopping, E-Commerce, Customer

Introduction:

Corporate Social Responsibility (CSR) basically referred as an organization's action for environmental, social, ethical and economic issues. From 2014, Indian law introduced the rule of mandatory 2% fund towards societal welfare for all the companies: As we know, the advantages of CSR to societies such as Balanced ecosystem, Waste management, Clean and green environment, Improved quality of life, Improved wealth and employment, and so on. On the other hand, we have to understand the effect of the CSR on Brand equity and on Performance of any organizations. Corporate Social Responsibility (CSR) nowadays becoming the pillar for any organization's brand name and this too motivates and improves the working behaviour and performance of the organization. Moving further on this, if we talk about the latest amendments to CSR, on 20th September, 2019, Finance and Corporate Affairs Minister Nirmala Sitharaman stated, "Research funding in Science, Technology, Engineering and Medicine will too be counted as a part of mandatory CSR expenditure". This **research paper** aims to analyse the importance of CSR in building brand equity and improving firm performance.

Research Objective:

The research paper focuses on the major objectives of CSR and the roles played by Corporate Social Responsibility(CSR)in the enhancing of BE and Importance of Corporate Social Responsibility(CSR) in improving firm performance. These research purposes are, therefore, clearly examined through answering the following research interrogations.

Questions For Research:

- What is the contribution of CSR towards BE?
- What impact Corporate Social Responsibility (CSR) plays on the Firm Performance.

Literature Review:

CSR (Corporate Social Responsibility) : an art via which a company can actually intensify its own economic worth and brand image.

This era of increased knowledge & information moves us towards the rapid changes it is growing

more and more with the passage of time. Increasing knowledge and information precedes us towards the rapid changes results in growing more and more with the passage of time.

In his research work Mikael Holmqvist in 2009 he argued that over the last few decades corporations

are paying special attention towards their social responsibility of workers health and their well beings.

The strategy has two fold advantages including; ensuring better health and wellbeing for employees at

work place and, sustaining responsible organizations in the socio- competitive environment. He

viewed Corporate Social Responsibility(CSR)as corporate social control. **Shah, Bhaskar in 2010** stated that Bharat Petroleum Corporation Ltd. there is a wide interconnection between the society and institution. BPCL, the company takes a lot of initiatives to serve the society.

Hartman in 2011: "CSR in the nourishment segment" an article inspected significance of CSR in agricultural segment, especially focusing on the organizations which have high brand picture.

Mallen in 2012: Portrayed how the vogues of CSR have transformed frequently. The change influenced both of them the society and business as well as describes three fundamental things regarding the changes in the trend.

The Economic Times article "CSR: A shroud for hoodlums" (21 /10/2012) claims a large numbers of companies are complying with Corporate Social Responsibility (CSR) are worried of budgetary calamity, deceitfulness and distinctive unsocial sources. For instance: SATYAM COMPUTER SERVICES.

Corporate Social Responsibility (CSR) in Today's World

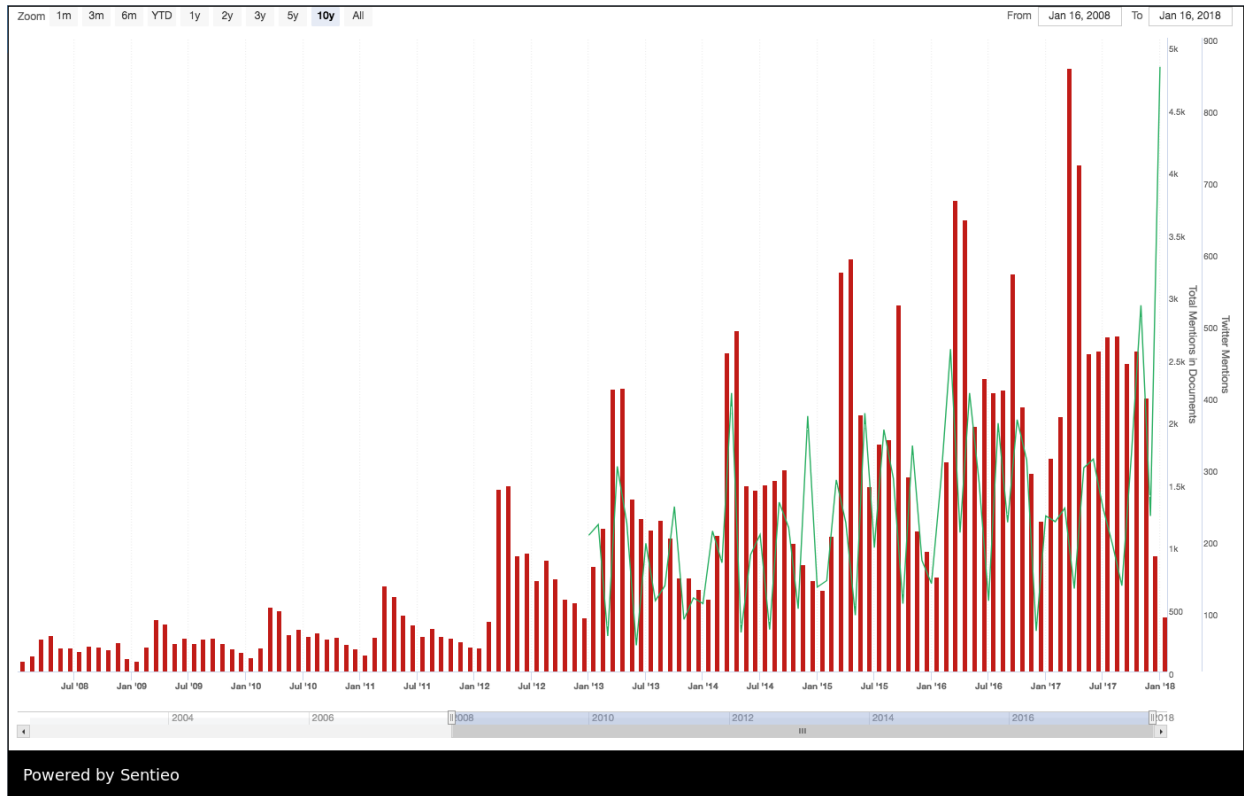
Today, where the organizations start understanding the significance and advantage of doing work for society, On the other hand, our general public also is anguishing without our consideration.

Corporate Social Responsibilities include:

- Reducing Carbon footprints to Relieve changes in climate.
- Promoting & Encouraging Fair Trades and Embracing labour policies
- Benefiting the environment by changing the environment.

- Making investments by being more socially and environmentally conscious.

Taking these four examples forward, we can understand that how important it is for the business as well as the society to develop together to develop the world and this is what people started understanding.



This graph clearly shows how the public companies start increase the focus on investing for society in the form of Corporate Social Responsibility(CSR)from the year 2008 to 2018 financial year.

CSR & BE

According to the research, the increased interest of public companies all over the world in the societal investments or Corporate Social Responsibility, we can understand that how closely Brand Equity and CSR are interconnected. Brand Equity means, “The commercial value that derives from consumer perception of the brand name of a particular product or service, rather than from the product or service itself”.

Brand Equity consist of some key elements, i.e,

- Loyalty towards the Brand
- Awareness towards the Brand
- Association towards the Brand
- Quality that is Perceived
- Total BE

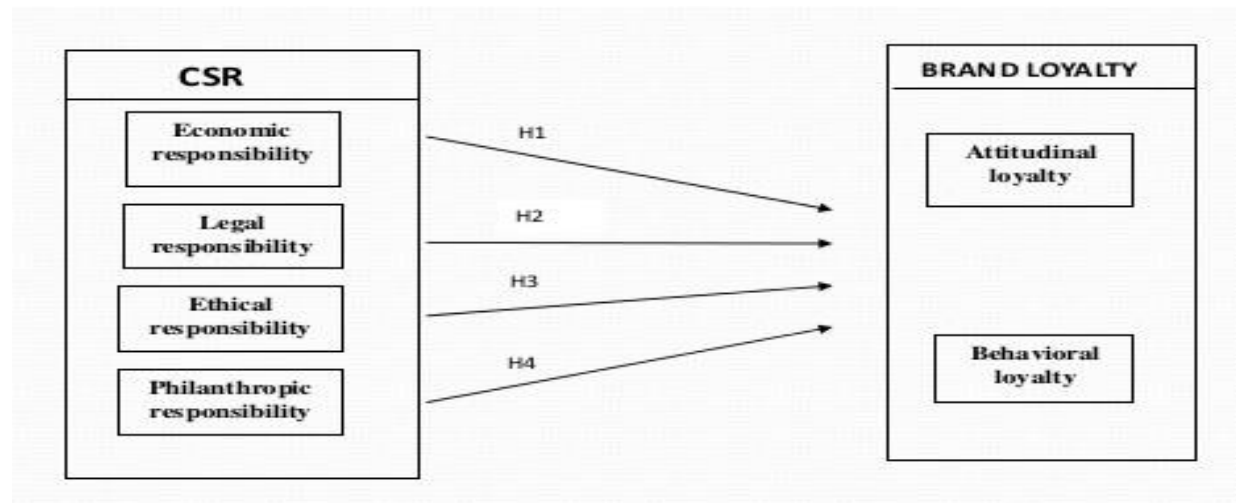
Brand Loyalty: It's the brand equity reflection. Brand Loyalty indicates the care about the product and service and the strength of repurchases.

Brand awareness: it reflects the power in the target mind of Brand's choice.

Brand Association: This reflects the sentimental bonds binding the brand to the customer.

Perceived quality: the custody of the target. It is the reflection of brand equity.

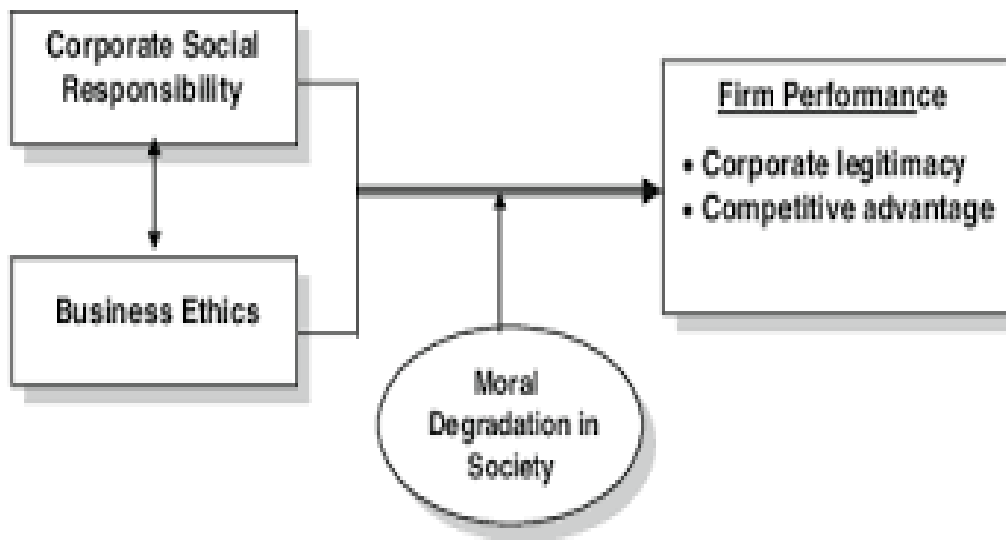
Overall BE: This is the bottom line of all variables summarizing that above variables are very important to build brand equity (BE) Via CSR. CSR therefore directly affects Brand Equity's established factors. It has the potential to increase the company in society eyes. On the other hand, we can understand in common words that business is taking everything from the society and it is its debt to pay back to the society. As much as you being a business can do for society, your business can earn that respect and improved brand equity undoubtedly.



Corporate Social Responsibility and Firm Performance:

CSR and BE are interconnected to each other as we already discussed above. Now these two terms together motivates the firm performance. The response and respect one business get in the market before and after the CSRs have huge difference. This pumps up the businesses performance in every aspect including production, service, communication, relation, loyalty, trust, etc.

Firm Performance is something what allows the business to stand strong in the market for the long time; it makes the business strong and is continuous process. The external CSR boosts the market value of a company and the internal CSR raises the operational efficiency of a company and does not impact the market value of a company.



Finding of Research

The research outcomes have significantly analysed and found a positive result proving better brand building through CSR. The observations are also supported by the results that the organizations implementing CSR practices receive respect and gain a unique non-imitable competitive edge over those with no inclusion of CSR practices. From the research, we can clearly find that the long term value added to the firm will be enhanced Brand building through loyal clientele, ease in entering the new markets, differentiated market line, and more overall perceived visibility by the customers. The customer's view for the organizations for the organizations with CSR help to build and strengthen the Brand trust which is on broader sense

brings in brand loyalty. We found that CSR can influence customer's perception for any product line, which obviously motivates the organizations to work to earn. In results, due to the new target lines and developed public image, company's performance has automatically improved. Now company believed on providing what customers expect from them after the new brand equity creation. Organizations feel that responsibility of maintaining the core brand equity for which they have to work and improve their performance for the survival and to achieve what society expects from them.

Conclusion

Concluding this research, both the things i.e., Brand Equity and Performance of organization are connected with the CSR. The organization engaged with Corporate Social Responsibility(CSR) get improved brand image due to CSR and after that they have to actually improve their performance according to the what society wants. After a certain point, when any organization got a big brand name or goodwill, they even cannot afford to harm a bit of their customers and their perception for their organization.