

IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON COMPANY'S BRAND IMAGE - A CONCEPTUAL MODEL

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Abstract— Today in this knowledge driven business world, business houses are having an obligation not only to address the needs of the customers but also to fulfil the obligations of society. The predominant means by which the firms strike a balance between its profitability and sustainable development is Corporate Social Responsibility (CSR). Now a day's CSR gained utmost importance in an organization's public relations which affects its brand image to a greater extent. The current paper throws a light on the impact of corporate social responsibility on the brand image of a firm. The paper will examine extensive literature on CSR, basis on which a conceptual model of CSR has been developed. The model highlights the factors that influence CSR activities and CSR influences on a firm.

Keywords— Corporate social Responsibility, Obligation, Brand Image, Profitability

I. INTRODUCTION

Now- a - days the business analytics are changing constantly, where the firms are continuously striving to cope up with the demands of the customer which makes difficult for a firm to ensure sustainable growth. Earlier CSR is perceived as an obligation, but now it has become a necessity to adhere the public expectations towards organization. The study focuses on the CSR and its aim is to develop a conceptual model which estimates its impact on firm's brand image based on the various research ideologies and extensive literature.

II. OBJECTIVES

- To identify the factors that affects Corporate Social Responsibility of the firms
- To suggest measures to enhance the brand image & profitability of the firms

III. LITERATURE REVIEW

Corporate Social Responsibility

According to Mohr, Webb and Harris (2001), CSR is a company's effort and responsibility to reduce or avoid harmful effects and to maximize its long run positive and useful impact on society. Earlier Organizations were considered only as profit maximizing entities. However, with a change in the structure of business environment, the role of organizations has altered dramatically. Today, organizations are an essential part of social life (Karaibrahimoglu, 2010)

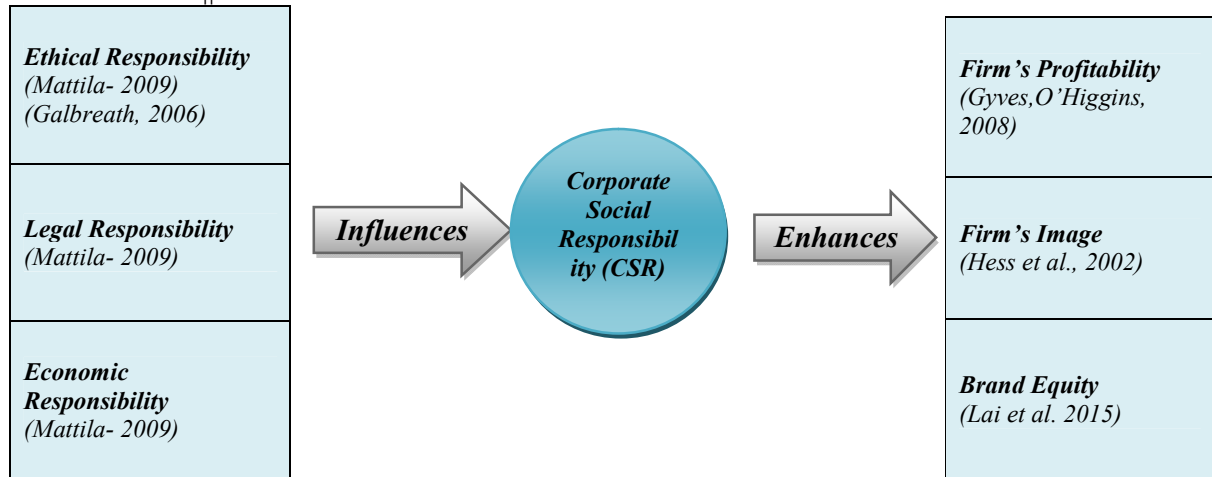
Brand Image

Keller (1993) defined Brand image as "the perception about a brand as reflected by the brand association held in consumer's memory." Levy (1978) stated that a brand image is the constellations of pictures and ideas in people's minds that sum up their knowledge of the brand and their main attitudes towards it. A positive brand image can be taken as a capability of a firm to hold its market position(Wu, 2011). Many companies show an eagerness to display their CSR policies and initiatives with a view to enhance their corporate image (Maignan and Ralston, 2002). In addition, many companies readily perceive the accruing benefits of being seen as socially responsible and attach importance to reporting their CSR activities, even using different media channels to communicate their activities to stakeholders (Sweeny and Coughlan, 2008).

Corporate social responsibility and Brand image

A company committed to economic development, ethics in the organization, supporting employees and their families, supporting non-profit groups and the supplying the needs of society, has a far better image in minds of society than other firms (Pomeroy & Johnson, 2009). Consumers are reluctant to buy goods and services from businesses which are involved in socially or ethically irresponsible activities (Chen.S., Bouvain.P. 2005). Corporate reputation sometime also referred as corporate/brand image is very important when the risk associated with goods and services is high in the consumer's perception (Maathuis, et.al 2004). The firms which focus much on Philanthropic responsibility received more favourable brand attitude and consumers evaluate them more positively as compared to firms which are more indulge in sponsorships and cause related marketing (Lii, Y., & Lee, M. 2011).

Conceptual Framework of Corporate Social Responsibility – Factors Influencing it and effect on the Organizations



Source: Self Developed Model

- **Economic Responsibility:** The first responsibility of business is to be a properly functioning economic unit and stay in business (Mattila, 2009). Profitability is key to the organization functions and sustainability. That's why many economic theories dwelled around the topic of profit maximization (Galbreath, 2006).
- **Legal Responsibility:** Legal responsibilities are the expectation of the society on organization to abide by the law and 'play by the rules of the game' although this can mean additional cost to organization (Mattila, 2009).
- **Ethical Responsibility:** Ethical responsibility is where organization need to do what is right, just and fair even when they are not compelled to by the legal framework (Mattila, 2009).
- **Firms Profitability:** Gyves, O'Higgins, (2008) have said that the relationship between CSR and financial performance really depends on how CSR is managed. According to the results of their paper, internally initiated CSR by the firm can simultaneously provide the most sustainable benefits for the firm itself, its particular stakeholders and society at large, to increase the chances of creating a win-win situation.
- **Firm's Image:** Hess et al., (2002) stated that there is a positive relationship between corporate involvement in social causes and reputation and company image.
- **Brand Equity:** A study by Lai et al. (2015) entitled the impact of the corporate social responsibility on the performance of the brand revealed that the company's activities and reputation effectively impact the industrial brand equity and performance.

IV. CONCLUSION

Now a day, Corporate Social Responsibility became the imperative for the business. In this era of globalization, a firm which is committed to the society beyond its can gain a worthwhile image in the society which cannot be rendered by intensified advertising campaigns because, in a customer driven economy

"Businesses need to go beyond the interest of their companies to the communities they serve". Ratan Tata

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