

Role of Corporate Social Responsibility in Enhancing Organizational Brand Image: Evidence from the Nagpur Region

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Abstract: Corporate Social Responsibility (CSR) is a relevant strategic instrument that organisations in the competitive business world are adopting to improve their reputation as well as to create a strong brand image. The CSR efforts allow organizations to show their dedication to the social good, sustainable environment, and corporate ethical practices. The current paper is exploring how Corporate Social Responsibility programs can help to improve the organizational brand image in Nagpur region. A descriptive research design is used in the research, which is founded on the primary data gathered based on the structured questionnaire of 200 respondents involved in the study that included consumers and stakeholders related to the organisations that engage in CSR activities. The respondents were selected using convenience sampling technique. The statistical methods of analysis included frequency and percentage to analyze the data. The research results indicate that most of the study participants have knowledge of CSR practices by the organization and feel that the practices have a positive impact on corporate reputation, client confidence and the perception of its brands. This research paper establishes that CSR activities are very important in enhancing organizational brand image and relationship with stakeholders. The study also puts special emphasis on strategic importance of CSR in creating a favorable corporate identity, and recommends that those organizations need to encompass socially responsible activities in their business strategies to attain the sustainable brand development.

Keywords: Corporate Social Responsibility, Brand Image, Corporate Reputation, Stakeholder Perception, Organizational Branding, Nagpur Region.

Introduction

The concept of CSR has been of great magnitude in the business management and corporate governance in the past few decades. CSR can be defined as the voluntary nature of the incorporation of the social, environmental, and ethical concerns into the business processes and relationship with the stakeholders. Organizations are increasingly required to not just focus on maximization of their profit but also to act in the interest of the society by incorporating social issues, environmental concerns as well as community development projects. In this regard, CSR has transformed itself into a philanthropic activity into strategic management practice that promotes sustainable organizational growth and development as well as organizational reputation (Carroll and Shabana, 2010).

The consumers and other stakeholders nowadays need organizations to show ethical conduct, environmental friendliness and social accountability. To suit these expectations, most firms are undertaking CSR activity i.e. community welfare program, environmental conservation program, educational support, and employee development program. Such initiatives help organizations to develop close relations with the stakeholders and develop a good corporate image. CSR activities are hence becoming strategic tools to strengthen corporate image and brand image (Du, Bhattacharya, and Sen, 2010).

The brand image is a reflection of how stakeholders think and feel about an organization or a brand. A good brand image will help to gain customer trust, brand loyalty and competitive edge within the market. Companies that have favorable brand images will have greater customer interest, investment and acquisition of good staff. The perceptions are very critical in terms of the CSR initiatives as socially responsible conduct defines the readiness of an organization towards ethical principles and social welfare (Lai, Chiu, Yang, and Pai, 2010).

CSR in the recent years has gained strong association with the branding strategies. Corporates are gradually integrating CSR activities into their brands communication as a way of building on their corporate identity and reputation. By organizations being actively involved in assigning socially responsible behaviors, and communicating the same to its stakeholders, organizations can increase the credibility of its brand and its trustworthiness. CSR does not only generate a social value, it also has intangible returns as the better image, bonding of customers and building stronger relations among stakeholders (Bhattacharya and Sen, 2004).

The importance of CSR has also been growing in the Indian business arena especially with the legislative provision of the Companies Act, 2013, which requires some companies to represent part of their profits towards the CSR activities. This regulatory framework has persuaded organizations to invest in social development projects that relate to education, healthcare, environmental issues and rural development. These CSR activities add to the social good as they also enhance corporate notoriety and brand acknowledgment.

In as much as a number of studies have been conducted on the relationship between CSR and organizational reputation, there are fewer studies that have investigated the relationship at the regional level, in the emerging urban markets. The cities like Nagpur have experienced rapid industrial and business growth and hence have increased organizations involvement in CSR activities to community development and environmental conservation. The level of these CSR activities on organizational brand image is however still relatively unexplored.

Thus, the given research paper tends to focus on the contribution of CSR projects to the improvement of the organizational brand image within the Nagpur area. The study, through questioning the stakeholder perceptions on the CSR practices and brand image aims to offer information on the role in which socially responsible practices help in the building of corporate reputation and brand development. The results of this research could help organizations to develop effective CSR policies that are able to help the society as well as positioning their brands in the long term.

Literature Review

Corporate Social Responsibility has received a considerable amount of research on business ethics, marketing, and strategic management. The correlation between CSR activities with organization reputation, brand image and consumer behavior has been given much research.

Bhattacharya and sen (2004) highlighted the fact that CSR initiatives would help create a strong impact on consumer perceptions and reinforce the relationship between stakeholders. Their research proposed that in case of organizations that get themselves involved in being socially responsible, they are likely to generate higher conscience and faithfulness amid the consumers. CSR efforts are an indicator of moral obligation and social accountability, which have a beneficial impact on the stakeholders of the organization.

In the same manner, Carroll and Shabana (2010) claimed that CSR helps in the success of the organization by strengthening its corporate image and better relations with stakeholders. In their research, CSR activities do generate long term value to the organization through enhancing credibility of the brand and creating positive perception to the customers and the society at large.



A study looking at the connection between CSR and brand performance conducted by Lai et al. (2010) revealed that the CSR initiatives have a major impact on brand equity, brand image, and corporate reputation. The paper has come up with findings that the organizations that engage in socially responsible practices have a higher chance of achieving high brand identities and competitive advantages in the market.

Du et al. (2010) emphasized the need to share CSR initiatives with the stakeholders. Their study has shown that CSR communication may increase the corporate reputation and customer loyalty as long as the stakeholders feel that the activities are real and well-founded according to the core values of the company. Successful CSR communication is thus an important aspect in influencing the perception of the stakeholders and building brand image.

Mishra and Suar (2010) examined how CSR influences the performance of a firm in the Indian environment. Their results revealed that CSR programmes have a positive effect in terms of corporate reputation and satisfaction of stakeholders. The paper implied that corporations that embrace responsible business philosophy will be able to enhance the performance results in terms of financial and non-financial results.

In another study, Sen, Bhattacharya and Korschun (2006) examined the implication of CSR practices on consumer reactions and discovered that CSR practices have a crucial role in the overall consumer attitude towards corporations. When consumers form positive perceptions towards organizations that are keen to support the welfare of the society, then improved brand image and brand loyalty will be promoted.

Hoeffler and Keller (2002) placed great emphasis on the idea that CSR activities are part of the brand equity because they help in the strong associations of a brand as well as increasing corporate credibility. Their article indicated that the positive emotional bond between consumers and brands can be established through socially responsible activities.

Brown and Dacin (1997) also discovered that corporate associations associated with social responsibility have a great impact on consumer judgment of the company and its product line. As their research shows, CSR initiatives may influence the image and the consumer perceptions of the corporate in a positive way.

Porter and Kramer (2006) debunked that CSR may provide a strategic instrument that brings about a common value to both business and society. CSR initiatives help in building the sustainable competitive advantage and promoting corporate image when it is linked to the core competencies of the corresponding company.

Even more recent research has helped to emphasize the role of CSR in the image building and perceptions of stakeholders in organisations. Indicatively, Lii and Lee (2012) discovered that the level of consumer trust and brand loyalty positively correlates with CSR initiatives that are conducted honestly and in an ethical manner since such transparency and ethical dedication fosters consumer faith and loyalty.

All in all, current literature demonstrates that CSR programs can contribute to the areas of corporation reputation advancement, brand image reinforcement, and better stakeholder relations. Empirical studies, however, have concentrated most on multinational corporations or analyses on the national level. Very little studies have been conducted to investigate the effect of CSR initiatives on brand image in the regional level in emerging markets.

Thus, this study tries to address this gap by studying the importance of CSR initiatives in increasing organizational brand image of Nagpur region. The research will seek to help fill the existing literature on CSR and branding in the regional business context through consideration of how the stakeholders perceive and how the organization operates.

Objectives:

The key aim of the current research is to investigate the relationship between CSR activities and promotion of organizational brand image in the Nagpur area. In particular, the research will examine the effect of the CSR activities done by organizations to stakeholders and the perceptions, trust and their brand image of the organization at large. It also aims at cognizing how far socially responsible practices are relevant in developing positive image and enhancing brand positioning within customers and community. With this analysis, the study is aimed at offering an insight into the strategic significance of CSR as an instrument of enhancing corporate image and building sustainable relationships with stakeholder within the regional business environment.

Methodology:

In this current study, the research design that will be used will be descriptive and analytical in nature to identify the role of CSR in improving the organizational brand image within Nagpur region. The study is founded on primary data, which will be gathered by using a structured questionnaire, aimed at assessing the efforts of the respondent about the CSR activities, and its impact on the brand image of the organization. The survey questionnaire was given to consumers and stakeholders of the sampled organizations that had applied the CSR initiatives in Nagpur region. The study has proposed a sample of 200 respondents because this would represent sufficient sample and dependability of the results. Convenience sampling method was used in the selection of the respondents and this enabled the researcher to obtain data on people who were easily accessed and those willing to take part in the survey. Along with primary data, secondary data was also gathered through journals of research, books and scholarly publications concerning CSR and branding to provide a theoretical framework of the study. The data obtained were known to have been analyzed using suitable statistical tools that would have provided the understanding of the relationship between CSR initiatives and organizational brand image.

Result and Discussion

The data obtained was examined to learn how respondents considered the CSR programs and how it affects the organizational brand image. The number of respondents involved in the study amounts to 200. The data was interpreted using descriptive statistical data like frequency and percentage analysis.

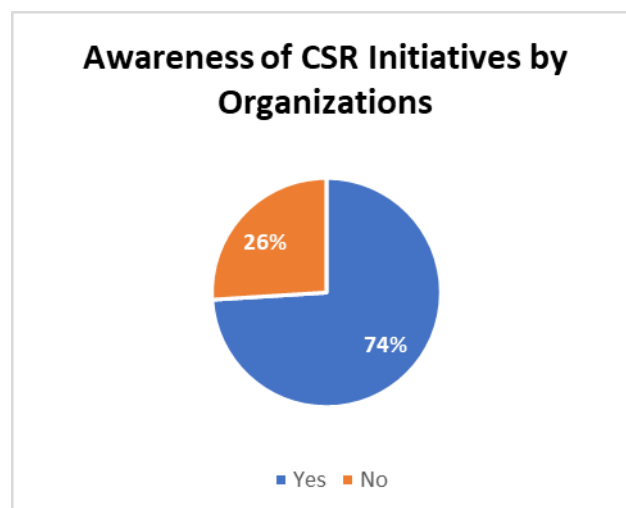


Fig. 1 Awareness of CSR initiatives

The fig. 1 above indicates that 74 percent of the respondents have heard about CSR programs conducted by the organizations whereas 26 percent are unaware of this phenomenon. This implies that most of the respondents are

conversant with the activity of CSR performed by the organizations in Nagpur area. The results imply that CSR activities are notable and are known to the stakeholders.

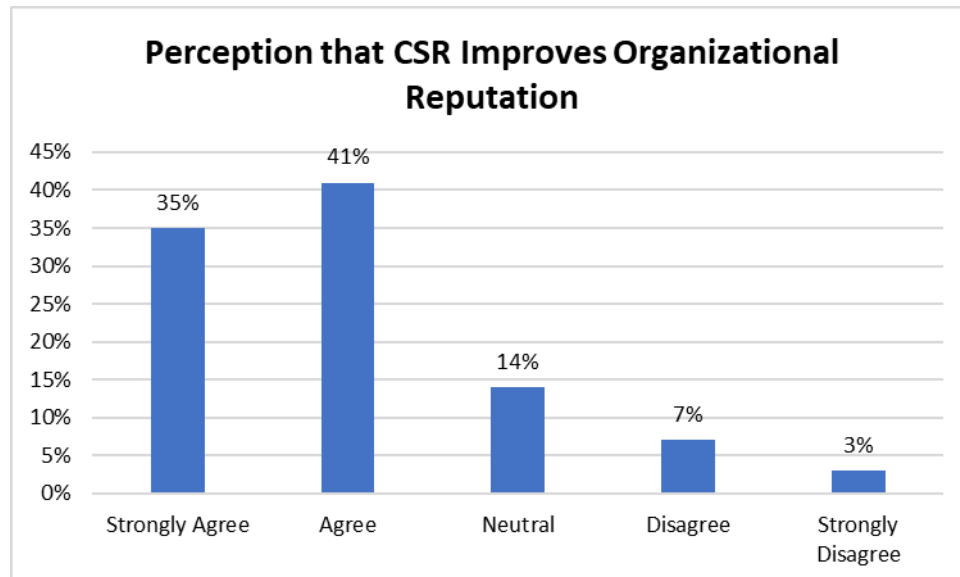


Fig. 2 CSR improves organisational reputation

They show that 76% of the interviewed people (Strongly Agree + Agree) agree that CSR activities enhance the image of an organization. Only one out of ten of them disagreed and 14 percent were neutral. The findings indicate that CSR activities contribute to a lot in the development of organizational reputation with the stakeholders.

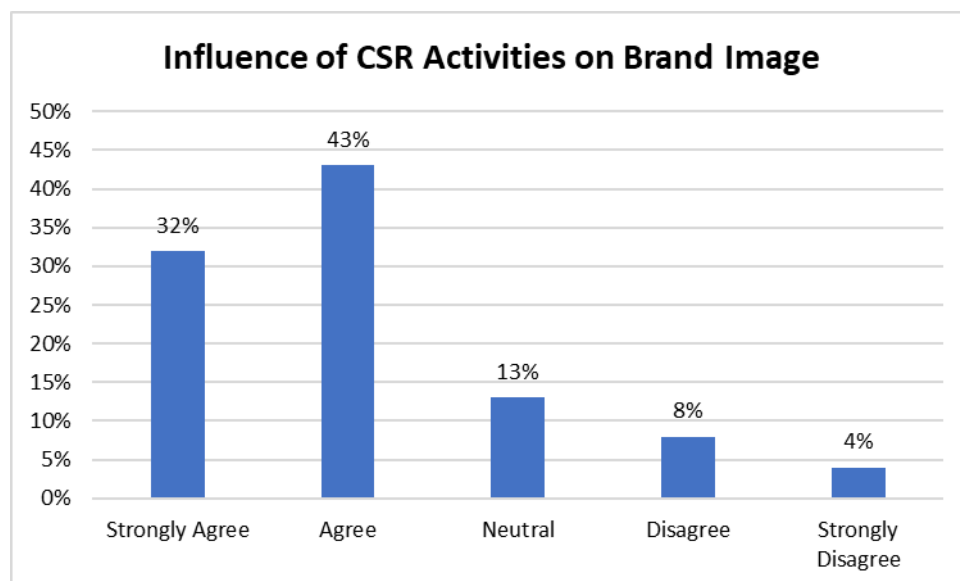


Fig. 3 Influence of CSR Activities

The results reveal a majority of 75 percent of the respondents that support the view that CSR initiatives have a positive impact on brand image of organizations. It was found that only 12 percent of the respondents did not

agree, and 13 percent were neutral. This proves that the CSR activities play a major role in creating a good organizational brand image.

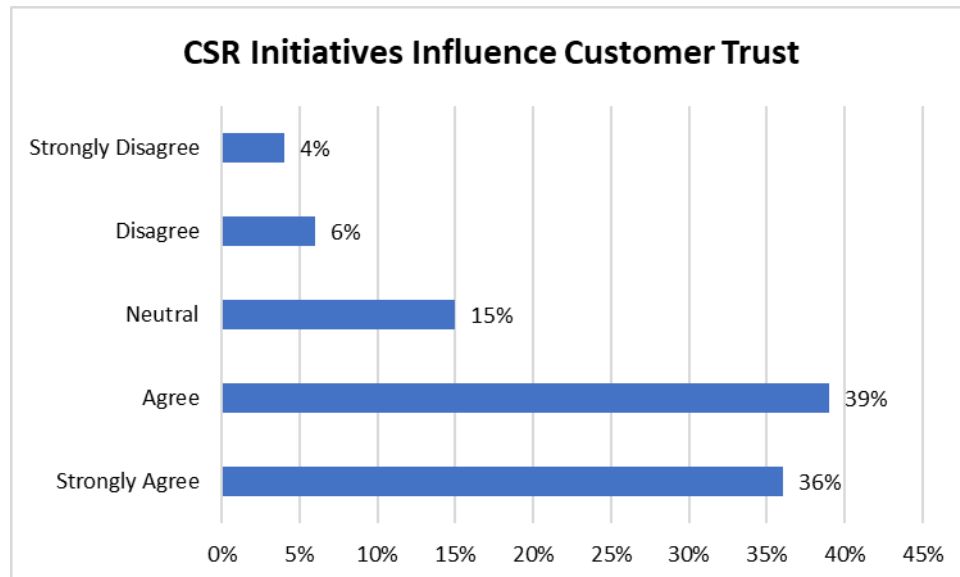


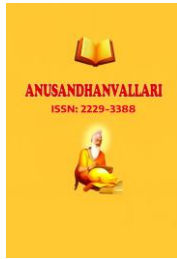
Fig. 4 Influence of CSR on Customer Trust

The findings indicate that three-quarter of respondents felt that CSR projects made customers trust an organization more, 15% were neutral and only 10% of the respondents disagreed that CSR efforts do not make customers that trust an organization more. This implies that CSR programs are significant in reinforcing customer faith and trustworthiness of organizations.



Fig. 5 CSR and Brand Building

Based on the table above, it is possible to note that three-quarters (77% of the respondents) of the respondents agree that CSR is a brand building strategic tool. Only a small percentage of 11% revealed disagreements and



12% displayed a neutral opinion. This proves that CSR programs are seen as a powerful approach to the improvement of organizational branding and reputation.

The interpretation of the questionnaire feedback has shown that CSR activities have a strong positive impact on the organizational brand image. Most of the respondents feel that the CSR activities increase corporate image, increase the level of trust and enhance brand image. These results prove the point that the greater the socially responsible practices the organization is involved in, the more probable it remains to create a favorable brand image and have a better relationship with the stakeholders.

Conclusion:

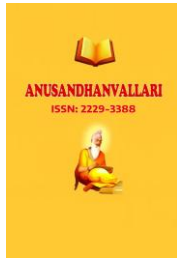
The current research article used the case of CSR programs to improve the brand image of the organization in Nagpur region. According to the outcomes of the research, CSR activities play a huge role towards enhancing the perception of stakeholders about organizations. Most of the respondents reported being aware of CSR initiatives, which is why most respondents concurred that socially responsible practices have a positive impact on corporate reputation, customer trust, and brand image in general. Companies that incorporate CSR programs in their operations like community building, environmental conservation, educational assistance, and social welfare activities gain a better image in the eyes of the stakeholders. The research appears to conclude that CSR is not only a business philanthropic practice but a business management tool that enhances organizational credibility, brand positioning etc. Thus, CSR programs are crucial in creating a positive corporate brand and creating long term relationship with stakeholders.

Recommendations:

The results of the research suggest that the organizations should consider incorporating CSR activities in the main business plans of the organization instead of considering it as a singular philanthropy effort. Firms need to be keen on the adoption of CSR programs that are sensitive to the needs of local communities, environmental conservation and social welfare to achieve meaningful social impact. The organizations are also expected to inform their stakeholder well across the right communication channels with the aim of increasing stakeholder awareness and brand perception. Besides, business entities within Nagpur area ought to work with local masses, non-governmental organizations and the government to carry out sustainable CSR initiatives. Constant monitoring and review of CSR efforts could also assist organizations in checking on their effectiveness in such activities as well as in making sure that such actions not only help in development of the society, but also in building organizational brand image.

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