# Brand Building Through Corporate Social Responsibility; An Indian Scenario

*Mr. S. SENTHIL KUMAR., M.COM (CA)., PGDE.COM., M.Phil.,
**Dr. R. KARUPPAIAH., MBA., PGDCA., Ph.D.,
Assistant Professors,Department of Commerce,G.T.N. Arts College, Dindigul – 624 305.

**• • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • • •**

## Abstract

*CSR initiatives are projects that a specific business entity launches in an extra effort to benefit society and the environment as a whole. With this effort, businesses are expressing their appreciation for the community from which they derive their profits. Businesses can develop a lasting brand image by focusing on the social, economic, and environmental issues facing society. Customers will view such an organisation as one that is socially aware. The concepts of CSR and the connection between CSR activities and brand building are discussed in this research. Businesses like Tata Steel, ITC, and Mahindra & Mahindra are taking various actions to develop their brand image while bearing in mind their corporate social responsibility. This study suggests that companies can face the competition by expanding their CSR activities.*

**Keywords:** Corporate Social Responsibility (CSR); Brand Image; Indian Companies; Business Performance

------------------------------------**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***----------------------------------------

## Introduction

Particularly in recent decades, corporate social responsibility (CSR) has drawn a growing amount of attention. CSR is a notion in management that encourages businesses to incorporate social and environmental issues into their everyday operations and interactions with stakeholders. Generally speaking, CSR refers to a company's efforts to reconcile its commitments to economic, environmental, and social goals while also meeting stakeholder and shareholder expectations. Different organizations have varying definitions of corporate social responsibility. Corporate social responsibility is described as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" by the World Business Council for Sustainable Development. Jamshedji Tata's definitions are exquisite.

Corporate social responsibility is not a new issue. Up until the Great Depression, corporate social responsibility was not seen as a major issue by the general public. The idea of corporate social responsibility (CSR) was first introduced in the USA in the 1950s, and it gained popularity in public discourse in the 1960s and 1970s. From the 1980s to the 2000s, businesses in general weighed their societal responsibilities against the requirements of remaining viable in a world economy that was undergoing rapid change. Without considering the nature of companies and their goals, the Social Responsibility cannot be understood. More than 50% of executives from around the world say that CSR is their top concern (The Economist, 2008). Implementing a CSR strategy may result in a relationship that is trustworthy.

## Rationale of the Study

Corporate social responsibility has gained popularity recently and is a hotly debated

subject among academics and experts. The public has been paying more attention to corporate social responsibility (CSR) problems in recent years due to industrial advancement and social advancement. Businesses have worked to project positive company images by making a positive impact on society, and as a result, consumers no longer take seriously the corporate social responsibility of businesses (Esrock & Leichty, 1998; Goi & Yong, 2009; Alsmadi & Alnawas, 2012). CSR is gaining popularity for two reasons: first, businesses recognize that it is essential to their success, and second, because they recognize the importance of supporting charity organizations, which motivates them to engage in CSR initiatives. (2004) Lichtenstein, Drumright, and Braig Additionally, the majority of businesses think.

## Scope of the Study

Scope of the study is limited to study concept of CSR and mostly focusing on the different CSR activities carried out by selected Indian Companies.

## Objectives of the Study

The objectives of the present study are;
- ➢ To understand the concept of CSR and its relevance.
- ➢ To know the CSR status in India.
- ➢ To know the CSR practices adopted by Indian Companies.

## Research Methodology

The present work is based on the secondary information collected from the vivid resources concerning to the corporate social responsibility and Brand Image. The information is collected from libraries, journals, magazines and online sources.

## The Evolution and History of Corporate Social Responsibility

The concept of company social responsibility is not entirely unique, it has undergone significant change in the past few years since Howard R. Bowen's 1953 book "Social Responsibility of Businessmen"

established the term.

The phrase has been in wide use since the 1960''s and through the 70''s and 80'' discussion of the concept grew. Around the same time, big international companies also faced anti-corporate sentiments because of environmental and human rights issues. In fact, companies faced large scale boycotts of their goods and services to force change.

Shell was the first company to use CSR in 1998. Though at first CSR was considered as the moral duty of corporate executives, it is now more and more acknowledged that it is in the long-term interests of businesses. Organizations and consumers alike are recognizing that companies have obligations to a variety of stakeholders, including their workers, customers, suppliers, communities, lawmakers, and the environment, in addition to their shareholders. A company's contribution to these stakeholders, society as a whole, and increasingly the global community in which they operate is now represented by CSR.

## Corporate Social Responsibility (CSR) In India

The close business involvement in social causes for societal development in India has a long and rich past. CSR is a term that has existed in India for a very long time and was originally used to refer to social responsibility or philanthropy. However, as time passed and its definition grew, it came to be known more broadly as CSR. Social and environmental problems have been a major part of business history since the beginning of business, which leads to excess wealth. Industrial welfare has been practiced in India since the late 1800s and corporate philanthropy has a lengthy history there. The use of philanthropic contributions to charities, community service, improving employee welfare, and encouraging religious behaviour were all examples of business practices in the 1900s that could be categorized as socially responsible. The ideology of CSR in the 1950s was primarily based on an assumption of the obligation of

business tosociety.

In the beginning, there wasn't much information recorded about social obligation programmes in India. Since then, there has been a growing awareness of the need to contribute to social activities on a global scale while also dedicated to enhancing the local environment (Shinde, 2005). Additionally, it has been observed that consumers are increasingly more likely to support and use the products and services of businesses that genuinely adhere to the ethics of socially responsible behaviour. As a result, India has developed the idea of CSR.

Today, foreign corporations that provide the same services in their own country are putting pressure on Indian businesses. Simply expanding their companies' CSR initiatives is one method for Indian businesses to stand out from the competition. As a result, India now has a much greater need for CSR acts. Only by being proficient and ahead of the curve with corporate social responsibilities will one be able to navigate the diversity of culture, language, and surroundings.

Clause 135 of the 2013 Companies Act, which was approved by both Houses of Parliament and received the President of India's assent on August 29, 2013, governs the idea of CSR in India. Companies with a yearly turnover of 1,000 crore INR or more, a net worth of 500 crore INR or more, or a net profit of 5 crore INR or more are subject to the CSR provisions of the Act. The new regulations, which will be in effect starting with the fiscal year 2014–15, also mandate that businesses form a CSR group made up of their board members, at least one of whom must be an independent director. According to the Act, businesses must invest at least 2% of their annual net profit.

### Brand Image

A strong brand can bolster a customer's perception of the goods as being positive and increase their awareness of them (Grewal& Krishnan, 1998). Products can readily become more appealing when a brand's perception in the minds of consumers is positive. (Hassan & Shamma, 2011) In 1986, Park, Jaworski, and MacInnis made the case that brand image is a perceptual phenomenon influenced by corporate communication activities, through which consumers can be persuaded to freely associate their thoughts with the branded goods.

"The additional value that accrues to a company because of the presence of the brand name that would not accrue to an equivalent unbranded product" is what brand equity refers to (Keller and Lehmann, 2006, p. 745). Even though reputation and identity are related, they are not the same thing. While brand is focused on the customer, reputation is more on the business (Ettenson and Knowles, 2008). Reputation may provide a favourable environment for product assessment, but it is not a necessary prerequisite for increasing brand value.

A symbol, moniker, or other distinguishing feature is used in branding to set one good or service apart from another (Pride et al., 2006, p.208). While building brand equity, or the value a business can derive from the brand, branding can be used to help customers recognize a product or service, facilitate the introduction of new products into the market, and increase sales. While branding makes it simpler for consumers to recognize goods, it also makes it simpler to foster brand loyalty (Pride et al., 2006, p.209).

### CSR Activities in Indian Companies

In a survey by the Asian Corporate Governance Association of 11 Asian nations, India came in seventh (ACGA). To better comprehend the role that corporations play in CSR, TNS India, a research organisation, and the Times Foundation conducted a survey in June 2008. Over 90% of all significant Indian companies surveyed participated in CSR initiatives, according to the findings. In actuality, the private sector

participated in CSR initiatives to a greater extent than the public and governmental sectors. Promotion of livelihoods, education, health, the environment, and women's empowerment were the top sectors in which companies were active. The majority of CSR initiatives were carried out as internal projects, but a small percentage involved providing direct financial assistance to charitable groups or communities.

There are many connections between CSR and branding, but three in particular stand out: trust, company reputation, and consumer attribution. A model for brand-related outcomes and business social responsibility was created by Gurhan-Canli and Fries in 2009. According to Gurhan-Canli and Fries (2009), business characteristics like reputation and consumer characteristics like awareness of CSR programmes and individual judgement are both important influences on branding outcomes. The results of branding would include an assessment of the business, the brand, and the product, which would take brand confidence into account. Consumer perception of CSR actions is also influenced by how well the company's and brand's CSR initiatives fit together (Ellen et al., 2000; Yoon et al., 2006). The research takes into consideration a few instances of top Indian businesses that have created a positive brand image in the minds of consumers through their CSR activities

**Tata Steel**

The only business in India that has committed to putting the Global Compact's principles on labour, the environment, and human rights into reality is Tata Steel. The company's societal involvement has changed over time in terms of its nature. Charity and dependence have given way to freedom and collaboration. To evaluate the results of its efforts in rural areas, it creates the Human Development Index (HDI), a composite index of health, education, and income levels. The Tata Steel Company's main CSR efforts comprise.

Infant mortality has decreased from 32.7% to 26.5% thanks to Project MANSI, which is being implemented in 167 villages in the Seraikela region. The adolescent health project RISHTA is now being executed in 700+ villages throughout 7 districts in Jharkhand and Odisha after being scaled up from Seraikela Kharsawan. Tata Steel established an E-health centre at Bagbera in Jamshedpur in collaboration with Hewlett Packard to offer healthcare services to underserved areas. Doctors care for patients while working remotely and utilising real-time technological solutions. Nearly 3,000 deserving pupils from the SC/ST communities in Jharkhand, Chhattisgarh, and Odisha received the "Jyoti Fellowship" fellowship. The business collaborated with numerous organizations to set up skill development centre's for IT, hospitality, textile, cosmetology etc.

A Market Yard was established in January 2014 to give farmers in Patamda alternatives for gathering and selling their agricultural products at a reasonable price. Nearly 2,300 solar street lights were installed in villages in Jharkhand and Odisha as part of the solar street light initiative. They established institutions like the National Institute of Technology, the R.D. Tata Technical Education Center, and the SavakNanavati Technical Institute to provide technical and career-oriented training as part of their CSR efforts.

**ITC Ltd.**

ITC Limited conducts commerce across a variety of Indian economic sectors. ITC has developed cutting-edge business models that produce greater and more long-lasting value by enhancing natural capital and sustainable livelihoods for the country while also providing new sources of competitive advantage for its companies. The E- Choupal programme, one of the ITC's major CSR efforts, involves setting up computers with Internet access in rural areas of India in order to provide farmers with the most recent marketing and agricultural information. 6 500 e- Chou friends are deployed, 4 million farmers are empowered.

Integrated Agriculture Planning - ITC

gives farmers the tools they need to create agribusiness societies, share knowledge and expertise, increase output and quality, and sell at higher prices in markets outside of their immediate area. 114,428 hectares were planted in vegetation, creating jobs for 51.48 million people.

Women's Empowerment ITC has formed micro-credit organisations out of the village women. Members of the group each make a monthly donation to the savings total. By giving group members soft loans, the money is used to break the moneylender's control. The method of required contributions reinforces the savings habit and increases capital.

Primary Education: By supporting state-run primary schools, ITC t-test significantly reduces the number of school drop-outs in its operational regions. The overall number of additional learning centre's that received extra coaching increased to 674 from 71 in 2004-2005. A network of 52 rural libraries and resource centre's enhanced the educational process for these children by providing them with school uniforms for 1696 children from low-income households, 8,969 text/exercise books, and school supplies.

**Mahindra & Mahindra**

The K. C. Mahindra Education Trust was founded at Mahindra & Mahindra in 1953 with the goal of advancing education. Its goal is to improve people's lives in India across all income brackets and age groups by providing schooling and financial aid. Numerous educational initiatives are carried out by the K.C. Mahindra Education Trust, which improve the lives of deserving pupils. More than 7.5 crore rupees have been given by the Trust in the shape of loans, grants, and scholarships. Scholarships are the main method used to support education. Over 3,300 kids are currently enrolled in the Nanhi Kali (children) project, and the company hopes to enrol 10,000 kids by reaching out to disadvantaged kids, particularly those in rural areas, over the next two years.

**Recommendations for better CSR**

Considering the limitations of the companies in their CSR activities, we can make some recommendations which can be used towards satisfaction of stakeholders.

➢ Companies should extend their CSR activities in less privileged states rather than concentrate in resource rich states.
➢ It is essential that companies develop an effective value chain system of their products through their CSR activities, which is essential for competing in the global market.
➢ It will give better results if activities are based on a more participatory approach and touch the grassroots level.
➢ Voluntarism among employees should be encouraged and institutionalized through recognition and incentives.
➢ There is also need for public-private partnership with well-defined controls and process for the best use of resources for social change.
➢ Participation of small and medium business should be encouraged.
➢ Experience has shown that working with NGOs is more worthwhile and result-oriented. Joining hands with related NGOs is therefore advisable.

**Conclusion**

Corporate social obligation has become more popular across the board. Organizations must understand that the government cannot successfully elevate the underprivileged in society on its own. Corporate Social Responsibility is a brand-new idea that has emerged as a result of the current social marketing strategy used by businesses. Many of the top businesses in the world are now aware of how important it is to support morally conscious causes in order to promote their brands.

Today, CSR in India has gone beyond merely charity and donations, and is approached in a more organized manner. It is

now a crucial component of the corporate plan. Companies have CSR teams that create specific CSR policies, strategies, and goals, as well as budgets to support those initiatives. It can be stated that CSR has been a crucial component of any organization's success in the information-rich world we live in today, where information is easily accessible to the general public.

**Reference**

1) Silva, B., Bhuptani, R., & Menon, S., (2011) Influence of social media marketing on brand choice behaviour among youth in India: An empirical study. In ICTBM Proceedings. Paper presented at the International Conference on Technology and Business Management, Dubai (pp. 28-30).
2) Vyas, S. Corporate Social Responsibility of Indian Companies. In National Conference on Corporate Social Responsibility Issues and Challenges (p. 185).
3) Agarwal, S. (2008). Corporate social responsibility in India. SAGE Publications India.
4) Chnadra, Prasad (2012). Corporate Social Responsibility is no longer just an addition, it is a key differentiator." CMD, BASF South Asia
5) Sharma, S. (2011). Corporate Social Responsibility in India. Indian Journal of Industrial Relations, 46(4), 637-649.
6) Urmila, M. (2011). Corporate Social Responsibility in India. Babasaheb Gawde Institute of Management Studies.
7) ChrisotophLattenmann, Mark Fetscherin, IlanAlon; shao min Li, Anna Maria Schneider (2009), "CSR Communication Intensity in Chinese and Indian Multinational Companies", Corporate Governance: An International Review, volume 17, no. 4, pp 426-442.
8) Sanjay Pradhan, AkhileshRanjan (2010) "Corporate Social Responsibility in Rural Development: Evidences from India." School of Doctoral Studies

Journal, No.: 2
9) Supriti Mishra, Damodar S. (2010); "Does Corporate Social Responsibility Influence Firm Performance of Indian Companies"; Journal of Business Ethics; Volume 95, No.: 4, Sept., pp 571-601.
10) Jorge A. Arevalo, Deepa Aravind (2011), "Corporate Social Responsibility in India: Approach, Drivers and Barriers"; Journal of Corporate Governance, Vol.11, pp 399-414
11) Omweno Nyameyio Enock and Dr. Kundan Basavaraji (2013) "Corporate Social Responsibility of Tata company and ITC company: A comparative study", International Journal of Business and Management Tomorrow (IJBMT),Vol.3, No.3, March, pp. 1-12.
12) Anupam Sharma and Ravi Kiran(2012) "Corporate Social Responsibility Initiatives of Major Companies of India with focus on health, education and environment", African Journal of Basic & Applied Sciences 4(3): pp. 95-105
13) Dr. K. Krishna Kumar and K. Radha (2012) "A view on corporate social responsibilities in India", The Economic Challenger, No.14, Issue 55, April-June, pp. 72-75.